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20 November 1984

WEST EUROPE REPORT

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SOVIET BOOK ON NORDIC NUCLEAR-FREE ZONE EXAMINED

Stockholm DAGENS NYHETER in Swedish 7, 8 Oct 84

[Article by Harald Hamrin]

[7 Oct 84 p 2]

[Text] The Swedish demand that the Baltic Sea be included in a Nordic nuclear-free zone in some form is described in a recently published Soviet book as "unjustified." Instead, the nuclear-free status of the Baltic should be discussed in the context of the situation in West Europe and the U.S. nuclear weapons deployed there.

The book, entitled "A Nuclear-Free Status for Northern Europe," was written by Dr Lev Voronkov of the Institute for World Economy and International Relations (IMEMO) of the Soviet Academy of Sciences.

Among experts, Voronkov is a well-known Soviet authority on Nordic politics. His latest book has been published in Russian, English, French, German, and Spanish. The purpose, obviously, is to ensure wide distribution of the book and lend weight to what it says.

His position as a scholar means that one cannot simply equate Voronkov's views with official Soviet policy with respect to the Nordic countries. There is nevertheless a fairly widespread opinion, in the Swedish Ministry of Foreign Affairs [UD], for example, that Voronkov generally reflects--or actually helps to formulate--the Soviet Union's Nordic policy.

Studied by UD

DAGENS NYHETER has learned that experts and representatives of the UD's top staff are currently studying the new book to see if anything about the Soviet Union's policy can be gathered from it.

At several points in "A Nuclear-Free Status for Northern Europe," Voronkov has very favorable things to say about Prime Minister Olof Palme and the Social Democratic government that came to power in the fall of 1982.

But on two important points, Voronkov takes definite exception to Palme's views on the Nordic zone. This concerns the so-called Paasikivi speech in Helsinki in June 1983, in which Palme declared, among other things, that:

1. A zone arrangement in the Nordic region also "must include commitments concerning a nuclear-free status for the Baltic Sea," and;
2. "Nuclear weapons primarily intended for or appropriate for use against targets within the zone in question must be withdrawn from our immediate vicinity."

Central Europe

Concerning the Baltic Sea, Voronkov maintains that while it is true that that inland sea touches partly on the Nordic region, part of it also touches on Central Europe.

Voronkov writes: "Considering that sea from the standpoint of the Scandinavian region's security is unjustified, and such a view of the matter can scarcely be appreciated by the other Baltic Sea states."

The "other Baltic Sea states" are naturally the Soviet Union, Poland, and the two Germanies.

The strategic importance of the Baltic Sea "extends far beyond" the Nordic region, says Voronkov, who also writes that the military forces operating in the Baltic Sea "are a part of the European military balance."

On the other hand, says Voronkov, the military forces in Central Europe are also of importance "to the situation in the Baltic Sea area."

Interested

The Soviet scholar recalls that the Soviet Union has stated its willingness to discuss the issue of a nuclear-free status for the Baltic Sea "with interested states." But the import of his argument is that not only the Nordic countries but also the other four countries bordering the Baltic Sea are "interested" in a possible nuclear-free status for the Baltic.

"Making the establishment of a (Nordic) zone directly dependent on inclusion of the Baltic Sea in that zone means linking a political problem of lesser magnitude (one concerning chiefly the Nordic countries themselves) with a more complicated problem whose solution depends on a number of issues which can scarcely be controlled by the Nordic countries," writes Voronkov.

All Seas?

One may also ask, says Voronkov in a remark aimed at Palme and others, whether those who want to include the Baltic Sea in a Nordic zone are saying that "all seas washing Scandinavia's shores" ought to be a part of that zone--a reference to the sea areas west of Denmark and Norway.

The same views concerning the connection between a nuclear-free status for the Baltic Sea and the Nordic countries on the one hand and Central Europe on the other were also expressed in a series of interviews with leading Soviet scholars, politicians, and military men that were published by DAGENS NYHETER in October of last year.

The meaning of those viewpoints, in capsule form, is quite simply this: Sweden is welcome to demand that the Baltic Sea be included in a Nordic nuclear-free zone, but for its part, the Soviet Union says that the U.S. nuclear weapons in West Europe must be removed or their number reduced before the Baltic Sea can become nuclear free.

And on the other point as well--the question of thinning out Soviet nuclear weapons in our "immediate vicinity" (for example, in the Leningrad Military District and the Baltic states)--Voronkov is critical of the position taken by Palme and the Swedish Government.

"Immediate Vicinity"

Here, too, Voronkov recalls that the Soviet Union has stated its willingness to "take steps, and that includes significant ones," in connection with nuclear weapons in Soviet territory.

In the Nordic countries, this has generally been interpreted to mean that the Soviet Union would consider withdrawing from its westernmost areas relatively short-range nuclear weapons that could reach no farther than the Nordic region. The Soviet Union would do that in return for a commitment by Norway and Denmark not to allow nuclear weapons in their territories even in wartime.

Indirect

But Voronkov is obviously aiming at something more than just a ban on nuclear delivery systems and nuclear explosives.

"The scope of those measures in Soviet territory must depend on the possibility of a nuclear attack on the Soviet Union from the areas bordering on Northern Europe," writes Voronkov.

In plain language, this means that the Soviet Union will not be satisfied with what is ordinarily understood by a "nuclear-free status" for Norway and Denmark. Various military installations that are linked more indirectly with the ability of the United States and NATO to attack the Soviet Union would also have to be banned.

[8 Oct 84 p 7]

[Text] Sweden ought to pursue a more active neutrality policy and provide more open support for the forces working for peace. The traditional Swedish policy, which is aimed at keeping Sweden out of a possible war, is "obsolete" in a number of important respects.

So writes Soviet scholar Lev Voronkov in a book on the Nordic nuclear-free zone that was reported on in DAGENS NYHETER yesterday.

The Ministry of Foreign Affairs in Stockholm regards Voronkov's book as "important," and those who have read it are somewhat uneasy about part of what it says. To the extent that it reflects official thinking in the Soviet Union, it also sheds new light on Moscow's Nordic policy.

At several points, Voronkov criticizes Sweden for its cooperation with the United States and NATO. In a historical and general chapter on Swedish foreign policy, he takes exception to what he calls Sweden's neutrality on the issue of war and peace.

Main Thesis

Appeals to Sweden to pursue a more "active neutrality policy" have already been made from the Soviet side in recent years.

Voronkov says in his book that the traditional Swedish line--"freedom from alliances in peacetime aimed at neutrality in wartime"--is largely out of date in this nuclear age.

Voronkov's main thesis is that from Sweden's standpoint, the traditional neutrality policy was a reasonable policy in the past, when one could make plans for staying out of a possible war by maintaining an arm's length distance, so to speak, from all conceivably belligerent nations.

In the nuclear age, on the other hand, Sweden will be hit hard by a war--even if Sweden is formally able to stay out of it. Sweden should therefore be supporting the struggle by the forces for peace (read: the Soviet Union) to a greater extent today than is actually the case.

Go Further

According to Voronkov, a certain loosening up of Sweden's historical attitude as such has already been observable in recent decades. For example, Sweden has joined the United Nations and the International Energy Agency (IEA). The result is that in practice, Sweden has repudiated the principle of "absolute neutrality."

According to Voronkov, Sweden should now go further along the same path.

"Despite radical changes in modern international relations, the Swedish policy of no alliances is based on the possibility and probability of a war and on the need in peacetime to create the conditions for neutrality in wartime," he writes. "But instead of that, the country should, if anything, be helping to prevent the outbreak of war."

Voronkov admits that the Palme government has adopted a partly new course of action--for example, by pushing more energetically for a Nordic nuclear-free zone. But clinging in principle to the traditional policy "limits, to some

extent, Sweden's possibilities for promoting detente more actively" at the international level.

Combination

And at the same time that Sweden has recently been showing "a degree of activation" in its foreign policy--on the zone issue, in its views on nuclear weapons, by its proposal for a nuclear-free corridor in Central Europe, and so on--it has "accompanied that with statements about its right to express its opinion on important international issues."

Voronkov writes: "That trend has frequently been expressed in an ostentatiously equal attitude toward the United States and the Soviet Union." And he adds that Sweden, in the name of balance, has unjustifiably criticized the Soviet Union on various issues.

Sweden obviously imagines, according to Voronkov, that in that way, it can combine an active foreign policy with its traditional neutrality policy.

"But a political line based on keeping an equal distance between oneself and both of the big powers without considering the effects of their foreign policies on international security can hardly be called farsighted," says Voronkov. In practice, that is the same as neutrality on the issue of war and peace, and it is a line that does not correspond to the national interest of the Swedes.

One-Sided

But Voronkov goes further in his criticism of Swedish foreign policy. Swedish trade policy one-sidedly favors the West, says Voronkov, and in the military-industrial area, Sweden engages in much closer cooperation with the United States and the NATO countries.

Voronkov warns: "It ought to be easy for the Swedish Government to decide how far that accords with its neutrality policy and whether it helps to create credibility for Sweden's determination to remain neutral."

In his book, the Soviet scholar also strongly criticizes traditional Swedish efforts to maintain a strong military defense.

Voronkov claims: "In view of the current pace of development in military technology, even very expensive investments in defense can in no way promote the country's security or foster the credibility of its armed neutrality."

Weak Defense

For long periods during the 170 years that Sweden has pursued a neutrality policy and succeeded in staying out of wars, he recalls, the country had a weak defense force "and did not try to back up its neutrality with a strong defense."

He writes: "It would therefore be a mistake to believe that it was the country's defense forces that helped Sweden to maintain peace for so long."

Pierre Schori: No Pointers Needed

"He presents a more specific view of the Nordic zone than anything we have heard before," says Pierre Schori, Swedish under secretary of state for foreign affairs, in a comment on Lev Voronkov's book.

Schori emphasizes that the Baltic-Sea is connected with the balance between the military alliances. That is a new element, or at least it has not been stated so clearly before.

At the same time, Schori emphasizes that he wants to view Voronkov's book as a "contribution to the debate" and that it is hard to say what status it may have.

Parallels

Schori recalls that on several occasions, both NATO and Sweden have talked about the Nordic zone as one link in a larger European context. This presents certain parallels with Voronkov's theses.

Schori says: "We see the connection. But we do not want to be tied down by what the military alliances do. We reserve for ourselves a role of our own."

Concerning Voronkov's views on the Swedish neutrality policy and especially the demand for a "more active" Swedish policy, Schori says that those views have come up before in the Soviet debate.

No Pointers

He says: "They can keep it up. But Swedish neutrality policy is something that we decide for ourselves without taking pointers from abroad." At the same time, Schori agrees that nuclear weapons have naturally added a new element to the situation. Avoiding any war has become a central issue today.

"It is a universally espoused idea, of course, and it has been expressed in President Reagan's speeches. Chairman Andropov and the current Russian leaders have also said that no one can win a nuclear war," claims Schori. "It isn't hard to agree with that."

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CSO: 3650/22

SOCIAL, ECONOMIC PROBLEMS OF GUESTWORKER POPULATION STUDIED

Vulnerability of Guestworker Youth

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 29 Sep 84 p 4

[Excerpt] 28 Sep--It is being said that the policy on aliens which had been pursued by the SPD/FDP coalition and is now being defended by portions of the FDP and being continued in some Laender governed by the SPD has caused serious social harm. This policy does not lead to a multicultural, but to a "permanent fringe-group society." The relatively high incidence of crime which has previously already shown up among foreigners who are living longer than just temporarily in the FRG is only a foretoken of what is to come. These are conclusions in a book which is being published in mid-November by the Heidelberg Criminal Science Publishing house (Axel D. Neu, "Developmental Trends in the Labor Market and Their Effects on Juvenile Delinquency.") The editor is the German Criminological Society.

What has been discovered and compiled by the author, who is equally established as a scientist and in the practical world, boils down to a scathing judgment on the previous aliens policy in the FRG. The consequences do not bode well for the social peace. On the basis of the official criminal statistics, which Neu has corrected for illegally present foreigners, for members of the allied stationed forces, for those seeking asylum, and for tourists, the author demonstrates that the incidence of delinquency among foreigners is generally greater than among Germans. There is a strikingly high incidence of criminality among foreign youth. Thus, for example, the incidence of delinquency for non-German young people from 8 to 14 years old is twice as high as among Germans of this age group. The picture shifts even more with the gravity of the offenses. Thus, foreign young people in the age group from 18 up to 25 years (male crime suspects) are charged four to five times more often than the German comparison group in cases of murder, manslaughter, and rape. In the case of robbery, armed robbery, or inflicting serious and grievous bodily harm, the incidence is more than double, and in the case of forgery of documents it is three to four times as high.

Thus Neu fears that from the middle of the 1980's on the portion of foreign youth held in detention centers will "drastically increase." In that case, in Berlin, Frankfurt, and parts of the Ruhr area foreign youth could already form the majority in the youth detention system. He says that in

1982, foreign youth under detention in the age group between 14 and less than 17 years old were already three times more strongly represented, at a figure of 15 percent, than would correspond to their share of the population. The reasons mentioned by Neu for this slipping into anti-social behavior and criminality make it clear what a disastrous potential for conflict has been accumulated through sins of omission and mistakes in the policy on aliens. Since most of these young people are so-called indirect or latecomer entrants, as a rule it is with almost uncorrectable deficiencies in language and education that they approach the German labor market, which moreover will be saddled with a hitherto unknown weakness in growth for years to come.

Even with an assumed average real economic growth of 3 to 3.5 percent for the coming years--something which very few experts regard as achievable--Neu fears an increase in unemployment from just under 2.5 million at present to about 4 million by the end of the decade. Given these gloomy economic basic conditions, given the increased pressure for rationalization above all in those branches in which a high fraction of foreigners is employed, for young foreigners especially there are practically no chances for gaining a foothold in the German labor market: "Here an army of millions is growing up whose chances for integration into the German vocational-training and labor market are practically zero."

He says that a representative study on foreigners 15 to 24 years old has shown that only three fifths of them have attended a German school. About two thirds of the foreign pupils still leave junior high school before graduating. More than three fifths of the gainfully employed foreigners have not earned any vocational-training degree. Above all the so-called latecomer entrants of Turkish nationality have not brought with them either a knowledge of the German language nor usable vocational skills. Under these conditions, the judgement about the introductory and orientation courses organized by the Federal Institution for Labor proves depressing: "Previous experience permits the conclusion that the deficiencies in language of the course participants have been so extensive that any imparting of vocational skills has been largely out of the question."

In view of this, Neu says, young foreigners have no prospects for making a living aside from those of entering the ranks of "the growing army of millions of public-assistance recipients." He says that the proportion of foreign public-assistance recipients was increasing markedly back in the 1970's, and from 1979 to 1980 even "drastically." According to the officially reported figures, in the 5 years up to 1982 the number of those foreigners who obtained ongoing aid for their subsistence increased threefold, to over 180,000, with the percentage having increased from about 4.5 to almost 12 percent, he says. From the change in unemployment alone, which affects foreigners more than average, it can be deduced that the number of foreigners who obtain public assistance will double yet again "within a very short period." Because of the small income in the particular homeland, even after unemployment benefits and unemployment relief run dry it is still attractive to stay in the FRG: "The economic incentive to leave the FRG because of a transition to public assistance is thus very slight."

Guestworkers' Social, Economic Profiles

Frankfurter/Main FRANKFURTER ALLGEMEINE in German 28 Sep 84 p 4

[Excerpts] Bonn, 27 Sep--The number of Turkish children under 16 years old whose parents live in the FRG is about 165,000 children. About 100,000 of these are between 9 and 16 years old; just under 30,000 are younger than 6 years, 32,000 are between 6 and 9 years old. This estimate by the Marplan Institute, which puts its margin of error at 14 percent, is under study by the Federal Ministry of the Interior. Such figures play an important role in the debate about a lowering of the late-arrival age. Moreover, about 65,000 spouses of Turkish workers are still living in Turkey. And also some 11 percent of the Turkish and Yugoslav workers in the FRG have their spouses in their homeland, whereas such fractions among Spaniards, Italians, and Greeks lie between 7 and 9 percent, it says. Also of importance to the debate about the child late-arrival age is the indication that about 61,000 Yugoslav children are not with their parents in the FRG. The 30,000 Italian and 11,000 Greek children for whom this is likewise the case are not affected by the late-arrival debate since they come from EEC states, something which--in a slightly divergent way--also applies to the Spanish children, the comparison number for whom was indicated at 6,000. Because of a smaller sample size, the margin of error lies at around 20 percent.

The figures of the Marplan Institute on the subject "Guestworkers in Germany, 1984," a survey in which the Federal Ministry of the Interior had joined with questions on policy toward foreigners, were collected from the end of March to the beginning of May. Some 250 Greek, Spanish, Italian, and Yugoslav workers each as well as 500 Turkish workers were questioned. For the nationalities mentioned the investigation is representative; at the same time, the people questioned represent 75 percent of all foreign workers living in the FRG.

About 7 percent of the foreign workers are married, although among the Turks the figure is 81 percent. The Turks have the most children, some 334,000 according to the poll, and among the remaining four nationalities 349,000 children were counted. These differences may be the reason why the number of "two-earner families" among the Turks is 43 percent, but 50 percent among the other nationalities.

There are considerable differences between the nationalities in the average level of school education. Every sixth Turkish worker has attended school for less than 5 years, but only every 10th Spaniard, every 15th Italian, and every 16th Yugoslav and Greek. Only 36 percent of the Turkish workers have gone to school for 8 years or more, but half of the Greeks and Italians and 60 percent of the Spaniards and Yugoslavs have done so. Some 37 percent of all those questioned indicated that they have completed a vocational-training program, among Italians and Yugoslavs somewhat more, among the others somewhat less. Some 79 percent of the Yugoslav workers said that they could speak German well to very well; 61 percent of the Turks said this. "Whereas quite a large number of the Spaniards, the Yugoslavs, and the Greeks indicate that their children who live here speak German at least fairly well"--the figures are over 86 percent--"the Italians (80.3 percent) and the Turks (75.1 percent) think that their children speak German relatively the most poorly."

PASOK SEEN FOLLOWING WRONG POLICY VIS-A-VIS ALL OTHER PARTIES

Athens | AVGI in Greek 23 Sep 84 p 4

/Article by S. Vangelis/

/Text/ If many people hold the present government responsible for the lack of a specific plan for transition to "the desired objective," those who are diagnosing a permanent weakness of the government party to "exercise a policy" towards the other political forces are not few.

The political leadership of PASOK, in other words, has not given a clear and explicit answer to the question: what does PASOK want from ND, KKE, KKE-Interior, the small parties of the so-called "centrist area," and to what extent does it expect to influence their political line?

PASOK's evident fixed purpose for confirming the "independent governmental outlook" leads it to a levelling political policy of electoral character in order to take away votes from all other competitive parties. But this multi-selective policy takes away from PASOK the possibility of following a policy of strategic goals which preassumes a "policy of alliances."

Three specific facts during the 3-year governing by PASOK provide the basis for reaching useful conclusions:

1. No one in the government seems to wonder why ND voters chose, during the by-elections, to give their vote to KKE candidates in order to avert the election of PASOK mayors. This fact is "a historical paradox" as concerns the attitude of the electoral body of the conservative party. In other words, in a frenzied tactic to sabotage the new government, we witnessed the phenomenon whereby not only the ND leadership but the broader electoral forces as well participated in this tactic. Who is to blame for this? What policy should PASOK follow for confronting the situation?

2. Using various "tricks", the government excluded the Democratic Socialism Party /KODISO/ from being financed by the state budget, thus confirming in practice its "plundering" policy in the so-called centrist area--a policy which was also followed earlier by the New Democracy Party. The dissolution of the Center was also methodically planned by PASOK. Was it a right choice?

Is it certain that PASOK, having reached the limits of its independent existence, does not desire another force between it and ND?

3. Maroudas sharply accused KKE-Interior of not learning from history because it was unwilling to revive the pre-election climate of the Euro-election, using as an "excuse" the 1966 defections. This very harsh attack constitutes the "climax" of PASOK's aggressive policy against KKE-Interior--an attack whose intention was to limit the electoral and political appeal of KKE-Int. However, with what leftist forces does PASOK expect to cooperate even in the distant future if its logic is based on "your death, my survival?" Does PASOK have any opinion on the inter-communist dispute? Does it exercise any policy affecting developments or does it think they do not concern it?

We raise all these questions by reason of the aforementioned facts in order not to argue that PASOK should "intervene" in the internal developments of the other parties but to show that PASOK appears "not to know what it wants" or that, in any event, it does not follow a policy of handling the other political forces. This weakness, coupled with the inability of a policy of reforms in society, constitutes the present PASOK "leadership crisis."

Lack of Political Prediction

PASOK has followed a catastrophic policy towards ND. Cultivating or yielding to a climate of an unprecedented polarization, it fortified and surrendered to ND the voters of the conservative area. It never tried to find ways so that its message could penetrate ND. It never tried to neutralize the most extreme ND views, thus failing to gain some support. It considered more favorable to it the domination in ND of the most conservative trends so that no "confusion of ideological limits" (it meant electoral) could exist.

This policy influenced and consolidated K. Mitsotakis in the ND leadership. The PASOK reactions, which followed the Mitsotakis election, have a limited "value" because what counted in the last analysis was if PASOK had formed in an overall political level such conditions as to consider any choice such as that of Mitsotakis as being a provocation indeed. But when PASOK for the past 6 months played at least the game of polarization of the most fervent gatherings and tensions, when the whole country is facing a pre-election period, why should we consider as "unnatural" the Mitsotakis election?

Towards the communist left, PASOK has not developed a policy of alliances in a more durable direction. It appears it is interested in holding the Left in a controlled and fixed "area of movement." Oftentimes, it uses (orally only) one direction in foreign policy in order to ensure "complete calmness" in the internal front. As much as this policy can presently be profitable to KKE, it cannot constitute a stable factor of good relations with this party. This is so because the necessary electoral development of PASOK threatens KKE and thus the moratorium is endangered. Also, because while KKE has a firm "commitment to objectives," PASOK will sooner or later need "to settle accounts."

With regard to KKE-Int., PASOK has maintained a different course. The cooperation in the area of Self Government as well as in other areas proved it is not possible for two things to occur. First, to "neutralize" the critical KKE-Int. confrontation, and second to satisfy certain PASOK "ambitions" to use the Left as it wishes. After the Euroelections particularly, PASOK detected in this group of the Left a developing "adversary". Many within PASOK consider KKE-Int. as an obstacle to the self reliance of the government. As a result of such PASOK handlings, it is now considered probable that the Right, which today has 38 percent of the votes compared to 55 percent of the forces of Change /PASOK/, may return to power. This too is a "historical singular event" which confirms PASOK's inability to understand, as a leading political force, the political developments, the reason being that the logic of self reliance conceals this inability.

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CS0: 3521/17

TSOKHATZOPOULOS REPORTEDLY GROOMED FOR PREMIER POST

Athens ETHNOS in Greek 22 Sep 84 pp 1, 2

/Article by Akh. Khatzopoulos: "A General Rehearsal"/

/Text/ The government reshuffling and new arrangement of the governmental machine is a general rehearsal for testing the government cadres in view of next year which will be full of political developments.

The intention of Premier Papandreou is to achieve a better operation of the government and to test his cadres to see if they possess the ability to shoulder higher duties. This dimension assumes greater validity as a result of the appointment of Akis Tsokhatzopoulos to his new position as minister to the premier.

According to our information, the Tsokhatzopoulos promotion to the premier's office has two objectives: First, to help the premier in monitoring the government work and to intensify the operation of the governmental machine, and second, to test Tsokhatzopoulos in action and find out if he can cope with heavier duties than those of a plain minister.

Responding to questions by reporters if Tsokhatzopoulos will perform the duties of a first sargent, government spokesman Dimitris Maroudas said: "The government does not comment on published reports. At noon today the draft law for establishing the position of a minister to the premier will be introduced to the Chamber of Deputies."

And Now Only Alevras

Responsible government officials stressed last night that, as of this moment, no one within PASOK is ready to play the role of Andreas Papandreou. But if there is a person of common acceptance, that person, according to government sources, is Giannis Alevras, the speaker of the Chamber of Deputies.

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UK, FRG JOINT ARMAMENTS VENTURES SURVEYED

UK, FRG Joint Ventures Inventoried

Bonn WEHRTECHNIK in German Sep 84 pp 26-29

[Article: "Surmounting the Channel"]

[Text] Recent warm embraces on the other side of the Rhine, the antitank missile programs, the shadow boxing of industry over the European pursuit plane, Airbus and Ariane have given the public the impression that mutual industrial cooperation and, in particular, armament cooperation exists primarily between Germany and France. With the Americans there are only difficulties with the "two-way street" and technology transfer while one hears nothing of German-British cooperation--which is not even mentioned. Nevertheless, through the Tornado Program Great Britain is in financial terms our most important armament partner.

Anyone wanting to take stock of the present or make predictions for the future does well to consider the past.

At the end of World War II Great Britain possessed a functioning armament industry which was on a war footing but had to be dismantled during the following years. In Germany there was a vacuum and the French industry was in process of reconstruction--not without the assistance of German scientists and engineers.

When the German Federal Armed Forces commenced rebuilding their initial armament was acquired from the United States, Great Britain and Canada. These countries also provided training. From the other side of the channel the German Army obtains frigates of the HUNT class and the BLACK SWAN class, SYCAMORE helicopters, the FAIRY GANET for antisubmarine warfare as predecessor of the ATLANTIC, the transport aircraft PEMBROKE, SEAHAWK for naval airmen, the CANNIBERRA for special tasks and SEA FURY for target designation.

Great Britain remained aloof from the first licensing programs which contributed to strengthening the French aeronautical industry and laid the basis for building the German aeronautical industry. Great Britain had good reason for

this: its own industry was suffering from excess capacity and moreover had a production capability which made it appear economically advantageous to go it alone. Nevertheless, it is true that Rolls-Royce furnished the power plants and Martin Baker the catapult seats and that in general the British equipment industry established itself in the German market.

First attempts at cooperation between Great Britain and Germany began during the vertical takeoff period, resulting in German participation in the KESTREL test echelon, studies conducted between Dornier and Hawker Siddeley for a joint V/STOL transporter based upon the Do 31/DH 129. There was also delivery of a power plant by Rolls-Royce for the VAK 191 B and VJ 101. The NATO doctrinal shift from massive retaliation to graded response dried up these projects.

International cooperation in armament will be successful only when the military requirements can be coordinated, the introductory periods are consistent or amenable to compromise and economic advantages are expanding. Even long before the American state secretary William T. Perry invented the family of weapons concept it had already been in practice between Great Britain and the FRG in connection with military bridge construction. The German Army adopted the British medium girder bridge and the British Army is purchasing the amphibious bridging and ferrying device, the M2, from EWK.

However, the real large-scale program between both countries together with Italy has been and is the Tornado Program. No other project has come up to this joint developmental and production program either in terms of size or in terms of significance. This program employs 70,000 workers and 500 companies headed by Panavia and the Turbo Union jointly. It would be idle to list all of these firms and to enumerate the interrelationships between one country and another. Links have been established here which are being continued in the experimental aircraft program and which will perhaps eventuate in an expanded form in the European fighter aircraft program. Human nature is such that a program of this sort inevitably creates bonds which range beyond purely objective and organizational needs. There result human ties, personal appreciation and an understanding of the other individual's way of thinking. Thus even in the preliminary phases of negotiations it is possible to estimate the extent to which one's partner can compromise. Hence it is easier to make decisions since even in the early stages one can determine whether or not cooperation will be productive.

In addition to this large-scale program, the number of projects in which British and German firms are engaged is greater than generally assumed.

When in the beginning of the seventies the German Navy received funds for procurement of a helicopter for search and rescue operations the model which was first specified was the Sikorsky S-61 (HSS-2). The final choice was the Westland SEAKING Mk 41, in which case the surveillance radar, which was also British, made the decision easier. Since then the 22 helicopters have been delivered and have now been in service for a long time. Right now they are undergoing a revamping of their combat effectiveness with a view to broadening their mission. Here, too, a British radar, Ferranti's SEASPRAY Mk 3 was

selected for the development and testing program. Also, the SEA SKUA of British Aerospace Dynamics was selected as missile weaponry.

The SEA LYNX Mk 88 of Westland was procured as an on-board helicopter for the frigates of the BREMEN class. Here, too, the Ferranti on-board radar SEASPRAY Mk 1 was selected.

Even before introduction of the LYNX the British Sonar ASDIC 193 M was procured for the 331 mine-hunting boat. The Royal Navy and the German Navy have joint logistics for the American Mk 46 heavy torpedo. The German Navy has shown a certain degree of interest in the STING RAY torpedo by Marconi which, however, has a price which from the German point of view is far too high. In the domain of heavy torpedoes there exists a national German development, but it is still possible that there might be cooperation with respect to components.

Moreover, there is much cooperation via the NATO naval armament group. The program group 27 of the latter is concerned with the NATO frigate 90 or to speak more precisely with the NATO replacement frigate 90 (see the issue of WEHRTECHNIK, No 6, 1984). For this program British Aerospace Dynamics offers the vertical takeoff equipment, especially for SEA WOLF. The corresponding on-board helicopter is the concern of program group 28; it is a helicopter approximately in the 9-ton class which approximates the ideas of the German Navy for the MH 90. Here again the English are adopting a somewhat offside position, believing that their requirement is for a 12-ton helicopter.

Further naval programs in which both countries could participate would be, for example, the advanced naval vehicle, a fast test vehicle based upon either an air cushion boat or an air foil boat, and the remote control system for sea mines. With regard to the latter it should be noted that the British system is tied very closely to its own sea-bottom mine. Program 32 for the Maritime Air Operations Center also provides a basis for joint work. This program is concerned with standardization of flight bases to permit interoperability of the various sea reconnaissance services.

Among the first British devices which were introduced by the German Army there was the GREEN ARCHER Morse radar.

The field howitzer FH 70 and the tank howitzer 155 had their origins in the NATO Basic Specification NBMR 39 which ultimately led to the joint development and production of the field howitzer by Great Britain (Vickers), Germany (Rheinmetall and Faun, Leitz and Mueller) and Italy (OTO Melara). The development and production of the corresponding munition ran in parallel. The tank howitzer PZH 155-1 or, in English, SP 70, is also being developed by the three countries. In Italy OTO Melara is developing it with Fiat as subcontractor, Rheinmetall with Krupp, MaK, Porsche, MTU and Renk in Germany and in Great Britain it is being developed by RARDE with the Royal Ordnance Factories in Leeds and Nottingham as subcontractors. It is expected to be introduced in 1988.

There is close cooperation between MBB, Aerospatiale and British Aerospace Dynamics in the Euromissile Dynamics Group. The British Army introduced the Euromissile antitank missile MILAN with the MIRA night vision device. The Euromissile Dynamics Group is developing the enhanced MILAN and the antitank rocket family of the third generation known to us as PARS 3 and to the British as TRIGAT. British Aerospace Dynamics is in this connection responsible for the long-range missile.

British Aerospace Dynamics and BGT founded the joint firm BBG for the development (the definition phase is now beginning) of the successor to the Sidewinder, known as ASRAAM. Jointly with German companies (BGT, AEG and MBB) British Aerospace Dynamics also wants to have a share in the European production of the air-to-air missile AMRAAM developed by Hughes--assuming it goes into production at all.

Naturally, British firms are also represented in the various consortiums which are submitting bids for the endphase-guided munition of MLRS. In addition to the purely electronic companies there should also be mentioned British Aerospace Dynamics and Hunting Engineering.

Within the larger NATO context British firms are also participating in the EIFEL 2, HEROS and ACCS guidance systems.

A sign of the intensity of the cooperation of these two countries is the regularity of special flights from Munich to Great Britain. The British arms director D. H. Perry gives recognition to the fact that communication is indispensable for the functioning of cooperative enterprises. He asserts this in the following interview when he calls for good communications links to the seat of the organization which will be responsible for the European pursuit aircraft EFA/Jaeger 90.

UK Procurement Director Interviewed

Bonn WEHRTECHNIK in German Sep 84 pp 29-37

[Interview with D. H. Perry, armament director, by WEHRTECHNIK: "... We Consider That Cooperation Is Not an End in Itself"; date and place not specified]

[Text] WEHRTECHNIK [WT] questions the British procurement executive D. H. Perry who as armament director also presides over procurement and military engineering research with regard to the reasons leading to international cooperation in armament. He is also questioned regarding the international programs in which both Great Britain and Germany are participants.

WT: Great Britain has an armament industry of great productive capability; it is also capable of developing weapons systems entirely on its own. How many people are now employed by this industry and how large is its sales figure?

Perry: There are 225,000 jobs which depend directly and an additional 180,000 which depend indirectly upon procurements for our own domestic armament needs. Procurements of other materiel and equipment by our combat forces provide

160,000 jobs and if one adds to that the jobs created by armament exports one obtains a figure of 700,000 employees in the British defense industry. Although price sales figures are not available our procurements of military materiel in 1984/85 are about 7.8 billion pounds and we estimate that the industry has an additional 2.6 billion pounds of sales in armament export.

WT: Does the government consider the size of the industry to be sufficient to meet the country's needs in defense materiel?

Perry: In recent years 80 percent of our orders were placed with British industry, 15 percent were involved in cooperative projects and the remaining 5 percent were placed abroad. I believe this shows that our industry has the capacity to meet our needs although we often try to participate in cooperative projects in order to purchase as economically as possible.

WT: What are the tasks of the procurement executive?

Perry: He provides for the procurement of defense materiel for all combat forces. But he is also over a research organization which covers the entire spectrum of activities.

WT: How many people are employed in your research organization?

Perry: Under the executive there are about 40,000 people of whom about half are in research.

WT: That is an astonishingly large number for a public official.

Perry: Different nations use different forms of organization. Often the research capacity is within the procurement organization and in many cases it is outside the procurement organization. If I were to make a comparison with your country then some of the functions with which the IABG in Munich is entrusted are carried out in Great Britain by the public authority. Therefore I think that it would be misleading to compare the number of persons employed in our government research organization with the numbers in Germany.

WT: Because of the strength of its own domestic armament industry, in the first phase after World War II Great Britain apparently at first gave preference to direct exports and participated rather late in international programs (apart from bilateral agreements with France in the sixties). Was the reason for this a change in policy, financial constraints, the closing of markets or was it a desire for interoperability and standardization within the alliance?

Perry: Apparently you are referring to the time in the fifties and sixties when development and production costs of defense materiel were substantially lower than they are today and a country was still in a position to maintain a number of separate design teams. Toward the end of the fifties there were, for example, in Great Britain around 20 different aircraft manufacturers. But even if I take into account the differing conditions prevailing now I should nevertheless be inclined not to agree that Great Britain was late in thinking about collaboration and that in this respect a comparison with other nations would be unfavorable to us.

The bilateral agreements with France which you mentioned were very significant. They encompassed two variants of the MARTEL guided weapon, the training fighter plane and ground-based fighter plane called JAGUAR and the three different helicopters which were in the British-French helicopter package. I should also like to recall the cooperation between Great Britain, the United States and the FRG in the P.1127 VSTOL program and also our joint work on the Do 31. You should also not forget the attempt to work together with France on a British-French airplane of variable geometry.

Here in Great Britain we had definitely hoped that these different early cooperative projects would grow into a permanent arrangement. And so it has for a long time been the policy of Great Britain to procure defense materiel jointly with our alliance partners and to do so in particular where it is militarily and economically advantageous. It is certainly true that in recent years Great Britain has to a greater degree pursued a policy of cooperation in the development of new weapons systems and important armaments. You mentioned some reasons for this and I should like to add the following to them: the need to distribute technological risks, the need to maintain a strong technological base in Europe and the need, in view of the scantiness of developmental funds, to reduce duplication of effort. Of course, Great Britain maintains a strong and productively powerful defense industry. We do not consider cooperation to be an end in itself. Individual procurement decisions are weighed in terms of the goal of supplying our combat forces with defense materiel at the right time and at the right price. Great Britain is aware that successful cooperation offers over the long term military, economic, political and technological advantages which should be preserved in our interest and in the interest of our partner and therefore we shall also continue to look for opportunities to cooperate whenever possible.

WT: Are foreign firms permitted to bid for military materiel contracts and do they have the same chance and opportunity as British firms?

Perry: It is very difficult to give a general answer to that question because naturally there are areas in which we consider maintenance by the British armament industry as a very important factor. We might come to the conclusion that this is a transcendent consideration, either because we must maintain the industrial capacity in our country or because we believe that this is the best way of supporting our combat forces. If we should be of the opinion that the final choice of a contractor excludes a foreign firm then naturally we would not invite the foreign enterprise to go through the costly process of offering a bid because there exist overriding reasons preventing us from finally accepting such a bid. Apart from such situations it is our policy to include foreign bidders. A lot is done in the area of subcontracting such as, for example, the British Aerospace Dynamics decision to use an MBB warhead in the alarm antiradar missile.

WT: Despite such successful programs as Tornado and its power plant we hear from the German side that from their point of view Great Britain is a very difficult partner in cooperation. Is there a similar opinion--but in the converse sense--on the British side?

Perry: I don't believe that the FRG is a difficult partner in cooperation and I would be surprised if in the upper levels on the German side Great Britain were considered to be an especially difficult partner. We have a proverb here: "The proof of the pudding is in the eating." In reality--and regrettably this fact has been too little publicized both in your country and in mine--Great Britain and Germany are each the greatest cooperating partners when it comes to armament procurement--and this is true by a long stretch. Naturally, a lot of this is based upon the TORNADO, as you have already said, and that project is a very successful one and it has turned out to be a very competitive and effective airplane. In addition, the Tornado Program is one in which I myself have been very much involved for some years and therefore I can speak from personal experience about the working conditions which prevailed and which were founded both on an official plane and the industrial plane. It goes without saying that one must recognize that cooperation between sovereign states never proceeds as smoothly as it does in the case of purely national procurements. There exists a very great probability that there will be differing operational requirements which must be accommodated, complicated divisions of labor and expense must be resolved and in addition there are also differing national ways of doing things which must be taken into consideration. These matters frequently call for hard and difficult negotiations and naturally this can have a disturbing effect upon a management staff which is pressing for the procurement. But these things are steadily improving and I should like only to mention some of the most important large projects in which we are cooperating and in fact both bilaterally and also with other partners as in the case of TORNADO, FH70, SP70, MLRS, TRIGAT and ASRAAM all of which are a clear demonstration of the strength of British-German cooperative relations.

WT: Is it your opinion that British and German firms adopt differing positions with respect to cooperative agreements, in the sense that the British side prefers to work on an ad hoc basis while the Germans prefer more comprehensive programs?

Perry: I should like to disagree with that. At least it is certainly not the impression which I have received within the industry. I believe that at least to a certain extent--once companies have worked together in cooperative projects and have gotten to know each other's manner of working--that there exists a tendency to stay with this partner.

WT: In the FH70 and MLRS programs Great Britain preferred the nomination of national manufacturers on the part of the government to open competition such as has been preferred by other countries. What is or what was the reason for this?

Perry: In the case of the FH70 the choice of the contractor was made after agreement among the governments and I don't believe that the way in which the manufacturers have been selected in Great Britain differs essentially from the methods employed in other participating countries. In the case of MLRS we very much emphasized the idea of competition in order to reduce costs. But just as other governments do we strive in the end to have a fair and rational division of labor.

WT: What is the status of SP70 development? Will the tank howitzer be of the quality which the participating countries expect it to be?

Perry: I believe that we can produce the required quality. It has taken some time to get the program moving. But I believe that we can do it.

WT: And Great Britain continues to fully support the program?

Perry: Absolutely.

WT: And what is the picture with MLRS? In Germany we have the feeling that Great Britain is not fully behind the program. Hunting Engineering is a member of the EPG consortium but it has still received no contracts.

Perry: Hunting has a management and marketing function in the EPG organization and so far as I know they are entirely satisfied with it. Right at the moment we are involved in deciding upon the details of the industrial production assignments but no final decisions have yet been reached.

WT: I believe that the Royal Ordnance Factories are also supposed to be involved in the MLRS Project. We have heard that they are to be privatized.

Perry: Yes. In the past the ordnance factories were an organization under government control. At the present time we find ourselves engaged in a legislative process conducted by Parliament aimed at converting them into a "company's act" firm. This means that they shall have exactly the same status as other industrial enterprises in Great Britain. At first the government will have control of all sections of the new company, nevertheless the enterprise will be managed like an ordinary industrial firm. Later, I believe, the government may wish to place some parts of it in the private sector.

WT: Is it true that the initial organization will correspond more or less to GIAT in France in which marketing and purchasing are carried out as in a private company but which nevertheless remains in the possession of the government?

Perry: I don't know GIAT very well, but the Royal Ordnance Factories are managed exactly like a private firm. In the beginning, however, all parts of it are held by the government.

WT: It has been announced with regard to MLRS that Great Britain has an option to purchase 44 weapons systems from the United States but that nevertheless Britain wants to meet its needs entirely out of European production. Is that the case?

Perry: It is our general aim to order as much as possible from European production. We have already purchased one or two systems from American production for testing. But it is our intention to cover our needs for the most part from European production assuming that this does not result in any unacceptable excess costs.

WT: Seen from the British point of view is the exportability in the definition of a weapons system a decisive factor in international programs?

Perry: Great Britain approves the export of armament naturally under the assumption that a special sale is also in accord with our further political and security interests. The economic pressure to expand the production line in order to distribute the development costs of modern weapons systems is too well known for it to be necessary for me to go into the matter here in detail. We are striving to have an appropriate export level in the midst of cooperative projects. But we must always bear in mind that the equipment of our combat forces whether manufactured nationally or cooperatively is primarily designed to meet prospective threats. Therefore one must maintain a difficult balance in the development of new military materiel between the needs of one's own combat forces in an extremely demanding defense scenario and the needs of some export customers who are looking for simpler and cheaper equipment. Probably it is true that in the early days of cooperation we had included export potential in our calculations only to a slight degree, because the splitting up of development costs and the longer production lines were a sufficient motivation in themselves without our having to be concerned about export. However, here to an increasing degree we are coming to recognize the importance of the export market for supporting our defense industry at a level which is necessary to deter aggression.

WT: Are you satisfied with the progress of the EFA Program for a European pursuit airplane and what form of organization would you prefer for the different phases of definition, development and manufacturing?

Perry: As you know, the defense ministers of Germany, Great Britain, France, Italy and Spain agreed on 9 July in Madrid to take up an implementation study for this very important project. Official agencies and industries of the five nations are cooperating. Substantial progress has been achieved in a short time although naturally there are still many problems to be solved. Basically these problems relate to the differing national points of view and interests which must be taken into account. If you ask "Are you satisfied?" then I should like to answer that it is in the nature of successful cooperation and the process of reconciling interests that no one should be fully satisfied and--on the same assumption--no one may be entirely dissatisfied.

There must be compromises. I hope that everything works out so that we shall attack our problems directly, identify in a simple way our differing national points of view and interests and work out solutions honorably which are in the best general interest of Europe and nevertheless satisfy vital national reservations. With regard to the management organization, this involves one of the areas which are being addressed during the current implementation study. It is still too early to talk about details but all countries are looking for organization forms both on the governmental level and also on the industrial level which are as tight and effective as possible and in which all responsibilities are clearly defined.

WT: Sir Raymond Lygo, chairman of the board of British Aerospace, said that he wishes that the future management of the European pursuit airplane project were set up in Great Britain. Is that your view?

Perry: I think that in situations such as the EFA project you hear all possible stories emanating from the industrial side and I can imagine that the managements of industry in each of the five countries are emphasizing their desire to have this management office in their own country. I am of the opinion that we officials as well as the ministers have made it clear that--as my own minister of foreign affairs has said--in this program there should be no winners or losers. None of the countries is going to tolerate the maintenance of a situation which has the consequence that one is going to hand over his entire technology, management and system control to one of the other countries.

That's not the way one carries out a cooperative program. Just where the individual offices of the EFA Program should be set up is something which must be discussed in the present investigatory phase. I should like to hope that we shall approach this problem rationally and make a decision based on rational grounds as to where the seat of this program should be situated. The question is affected by a large number of considerations such as the possibility of travel to the various partners, the connections with factories and actually one must maintain a certain balance among all these considerations in choosing a site.

WT: How does the future of the NAMMA organization look to you? Do you think that it can be fitted into the EFA Program?

Perry: For a number of obvious reasons I do not see that the NAMMA in its present form could take over the EFA Program. For example, the NAMMA is an organization of only three of those nations which are concerned in the EFA Program.

WT: Couldn't the NAMMA be broadened?

Perry: I believe that in the Tornado Program we have learned some things about organization and that in organizing EFA our procedure could be different from that which we followed in Tornado. In a program like EFA we should use the best that has been obtained in the past cooperative projects in which they participated, because every program is different. In this one five countries are involved and that is a larger number than we ever had in earlier cooperative programs. One must handle every program in accordance with the circumstances.

WT: In the EFA Program great attention is being given to the airframe and the power plant. But what sort of radar and fire control system development do you foresee? Do you see that as an area for cooperation or should the partners look for national solutions?

Perry: I hope that the partners will find a way of dealing with this area of the program because we have already carried out successful cooperative programs such as JAGUAR in which the partners had different equipment for the same airframe, but that is certainly not an ideal situation. If they all agree on one form of electronic equipment one avoids duplication of labor in its engineering development and that is one of the goals of cooperation. With regard to the aircraft program on the other hand one avoids duplication in flight clearance, flight testing and everything associated with the weapons

system. The more communality one has the more economical will the program be and therefore I hope for a joint European solution for the weapons system and I certainly hope that that will be no less than in the case of the airframe and the power plant.

WT: The German-French helicopter program is now in the initial phase of development. Does Great Britain plan to join the program and participate--as has been reported--to the extent of 22 percent?

Perry: The British Army sees a need for a special antitank helicopter which could be introduced sometime around the middle of the nineties and we hope that from the outset it could be equipped with the third-generation PARS 3 antitank missile. It is in accord with our normal procedure that we are now testing the possibilities which are now opening up for meeting this need. The German-French program is evidently one of these options and my staff is conducting constructive trilateral conversations with German and French official agencies. I hope that these stages of evaluation will be completed at the end of this year.

WT: In Europe there is also a need for a light transport helicopter and we can easily imagine that British firms are prepared to cooperate with Germany in this connection. Do there already exist any detailed proposals?

Perry: The transport helicopter is in a much earlier stage than the other helicopter projects. You probably know that a short time ago in Europe the helicopters were classified into three primary weight classes. There was the large helicopter which is now being developed as the British-Italian project EH 101. This is going well. At the other end of the scale there was a light helicopter, of which the French-German program is an instance, together with the AGUSTA A 129 and finally the Westland LYNX 3 in the middle and somewhat later there has arisen a demand for a tactical transport helicopter to replace the PUMA. Some studies are being conducted for NATO in order to identify the requirements here somewhat more sharply. But we are still at a very early stage and I could well imagine that several European nations will participate in this program.

WT: During the Falkland crisis something was disclosed which seemed to be almost a miracle. We believe that everyone was surprised at the degree of engagement and the capability of the British armament industry in putting new weapons systems into actual use in an extremely short time. Did this take place at the cost of reliability and testing?

Perry: I would not say that we were surprised by the engagement and capabilities of the British defense industry in meeting the special challenge of the Falkland crisis because we were entirely aware of the qualities and capabilities of this industry and in addition naturally there was the element of national determination. Some of the special procurement projects were classified as specially urgent and therefore justified the use of a lower order of design and safety standards than one employs for long-term peacetime operation. However, in these cases there was a certain outlay of final engineering studies.

WT: We have the impression that with regard to a future combat tank there exists a common basis of thinking from the German and British point of view. Could this become a possible cooperative project in particular considering the problems which were encountered in a similar project in the seventies?

Perry: There were a long series of efforts to cooperate in building a combat tank. But I was not involved in this particular area. But I think that cooperation for a combat tank newly developed from the very outset is something that lies in the distant future, if one takes into consideration the plans of the individual countries for replacing presently existing combat tanks. On the other hand it is naturally a good argument for commencing cooperation because otherwise the ideas of the individual countries will be so solidified that it will be impossible to alter them. There do exist efforts to cooperate with respect to components. Thus one could even introduce common components into the combatworthiness enhancement of existing combat tanks, because we are all involved in combatworthiness enhancement programs for our combat tanks. This could function as a sort of starting ignition for a long-term cooperation.

WT: Are there special areas in which the British side is particularly interested such as, for example, the night vision device?

Perry: A whole series of discussions are now beginning with regard to the components. But I don't believe that we have already identified programs in this area in which we could start cooperating. But we do have a feeling of closeness here and we are trying to identify common areas but we have still not reached the stage in which we can actually list these areas.

WT: Do you see any new possibilities whatever for British-German cooperation and, if so, in what areas?

Perry: Yes, I believe there are good possibilities in a broad region. Some of them are in the multilateral area. We have already mentioned the new European pursuit airplane EFA. The NATO frigate 90 for the nineties is another example. The FRG and Great Britain together with the United States are also interested in cooperating in the Long-Range Standoff Missile (LR-SOM). In the domain of bridges Germany and Great Britain apparently have mutually supportive capabilities and there are a number of other military needs in which cooperation is being studied. We must involve ourselves more with prospects for cooperation in the early research and engineering demonstration phases. I am thinking here of the studies which Great Britain and Germany have carried out in the development and flight testing of a couple of carbon fiber tailerons for the TORNADO as a technology demonstration program. There could also be cooperation in connection with the structural components and in particular wherever it is not possible to have cooperation in terms of the total equipment. As you know our minister of foreign affairs is a zealous proponent of European cooperation. He considers very close agreement between the views of Great Britain and Germany as fundamental for broad direct cooperation.

WT: Can you perhaps summarize your experience in past bilateral and multilateral armament programs?

Perry: Between Great Britain and the FRG there are in progress a number of bilateral and multilateral projects. The FH70 and TORNADO are early examples which as has been said were extremely successful and there now follow the SP70, MLRS, TRIGAT and ASRAAM. As we have already discussed, there frequently exist initial difficulties in getting cooperation programs on the road and it is not only the national domain which is influenced by these difficulties. But I believe that these difficulties will disappear when our industries learn to cooperate and to create mutual dependencies upon one another. This means that cooperation will become progressively easier as we work with subsequent generations of defense materiel. Stronger industrial links will, it is hoped, help to avoid some of the early problems with regard to assignment of work. In response to these problems the governments were often forced to make rather arbitrary decisions regarding work assignment in cases in which these assignments would have been more rationally made by the industries concerned. But I believe that there are many indications that we are making good progress with regard to cooperative procurement policies. These are policies which we shall be forced to adopt if in the future we are to procure economically the goods required by our combat forces to meet existing threats.

FRG Armament Director Interviewed

Bonn WEHRTECHNIK in German Sep 84 pp 38-40

[Interview with ministerial director Karl Helmut Schnell, manager of the Main Armament Division, by WEHRTECHNIK: "A German View of Cooperation With Great Britain: Armament Cooperation"; date and place not specified]

[Text] The German director of armaments, ministerial director Karl Helmut Schnell, responds to questions regarding cooperation with Great Britain in the areas of naval, army and air force armament. "In terms of total financial volume Great Britain--essentially in consequence of the Tornado Program--occupies the first place." Ministerial director Schnell is convinced that German-British cooperation will continue to develop even further.

WEHRTECHNIK [WT]: The German armament relationships with France are largely bilateral while those with Great Britain are multilateral. Are there special reasons for this?

Schnell: The development of partnerships in armament cooperation was not always the result of an intentional, selective policy of cooperation. The coincidence of identical periods of innovation, accord in military requirements, a common philosophy with regard to the optimal engineering or technological solution and not least of all criteria which determine the economic advantage of the national route or of the cooperative route have been decisive factors in determining whether a specific weapons system or device of the next--or perhaps even of the one after the next--generation can be jointly developed and/or manufactured with one or more partners.

It is a fact that in the past there have been more bilateral projects with France than with Great Britain. However, one can by no means infer from this that the FRG in the sixties and seventies, when for the first time work-sharing

armament cooperation within the alliance got under way, refused to engage in cooperation with Great Britain--either in individual projects or in general modes of cooperation. Rather it has been the case that the above-mentioned factors favoring bilateral German-British action was simply not present; that is, the individual prerequisites for cooperation, which simply cannot be replaced by political goodwill alone, were not given or could not be created.

Also it must not be overlooked that armament cooperation is still a relatively young phenomenon. Against the background of centuries of national "egoisms" of governments and also of national economies and industries, what has taken place in the last 20-25 years--and mainly in Europe--in the area of willingness to cooperate and ability to cooperate has been quite astonishing. And despite all difficulties encountered in this learning process it has been extraordinarily successful. Naturally, the existing threat and the challenges of our time do not allow us to lean back in satisfaction and relax our efforts at standardization and interoperability within the alliance in order to achieve the best possible utilization of the technological, industrial and economic resources of the various partners. What we have thus far attained is certainly still not sufficient. But it would have been unrealistic to expect more to come out of these few decades of real cooperation. That bilateral cooperation should be, so to speak, the point of departure of any cooperation crossing boundaries is certainly understandable. It is easier for two partners to bring themselves into a common line than would be the case for a larger circle of partners. But this phase has in fact already been surmounted. Even if in the future there should continue to be bilateral projects such projects, initiated by two partners, are basically and in the individual governmental agreements expressly open to the entrance of other NATO countries, difficult as that may be to realize in an individual case. Economic pressures alone, especially for more complex weapons systems such as the Jaeger 90, will necessitate seeking and finding a broader multilateral basis, especially if the technological and economic competence of Europe in certain areas is at stake.

With Great Britain since the end of the sixties and also with our Italian friends we have developed very important trilateral projects such as TORNADO, field howitzer 70 and tank howitzer 70. And apart from the tank howitzer, whose development will be shortly completed, these have all been introduced into the combat forces of the three countries.

Would the image of German-British armament cooperation be more positive if we had carried out these projects only bilaterally? Certainly not!

To this extent it appears to me that a comparison of merits between the numerical sizes and cash value sizes of bilateral and multilateral cooperation is beside the point.

We have been and are convinced of the need for a broad armaments cooperation in Europe and moreover with our transatlantic partners in the alliance. And at the same time for us there is no bilateral preference or even exclusivity with regard to the one or the other country. With regard to the past, as we have already said one may not read into the instances which have been adduced

any intentional partnership policy when these instances of cooperation have simply been based upon the currently existing favorable conditions for a bilateral or multilateral armament project. And this will continue to be the case for future projects.

Seen as a whole in the currently existing cooperative projects with German participation Great Britain is numerically only slightly behind France and the United States. If we consider the financial total volume then Great Britain--essentially because of the Tornado Program--is even in first place.

WT: While in the area of aeronautics and of army equipment there exist a number of successful cooperative programs with Great Britain there is little doing in the domain of naval weapons and in the shipping sector. What is the reason for this? Or is this a mistaken impression?

Schnell: The impression is mistaken so far as naval weapons are concerned. First of all there are some projects which are assigned to the domain of aeronautics although they, or at least essential components of them, are envisaged as naval weaponry. This is true, for example, of the SAR helicopter SEAKING MK 42, the trilateral German-British-Italian project TORNADO, the on-board helicopter of frigates of the LYNX type and the quadrilateral German-British-French-Italian project for a future naval helicopter MH 90.

In the case of weapons peculiar to the navy differences in tasks and in areas of use naturally have some effect in making cooperation difficult. Nevertheless, there exist and there have existed some significant projects such as the equipment of the class 331 mine-search boats with the ASDIC 193 M sonar, the joint British logistics for the U.S. torpedo MK 46 Model II and the relatively high preference shown to the German-British lightweight torpedo STINGRAY for procurement by the German Navy.

But that impression is more accurate insofar as it relates to actual shipbuilding. The reasons for this are manifold. The orientation of the English Navy is primarily oceanic while the German Navy is designed more for use in coastal and inland seas and hence must give more consideration to the characteristics of these bodies of water than is required of the British Navy.

For Great Britain naval armament has been and is a matter of central importance. The relatively large numbers of units resulting from this circumstance have led to a highly continuous procurement process with which the German Navy's discontinuity of procurement--mass production at fairly large time intervals--can be reconciled only with difficulty.

To this might be added the fact that in the case of nations having a maritime orientation shipbuilding because of its great economic importance has always been a matter of the highest concern amenable to cooperation only to a relatively slight extent.

But at the same time I also see in this area good starting points for cooperation such as, for example, at the present time the multinational NATO frigate 90 project in which both Germany and Great Britain are participants.

WT: The German and French armament departments have between them a list of current or possible cooperative projects. Is there something similar in the case of Great Britain or is anything like this planned?

Schnell: Keeping accounts is as much a part of armament cooperation as it is of business. Not simply in the sense of "competing with the past" but in the sense of the question: What is our joint status now, where can we go together from here? These questions are posed and studied at the regular bilateral meetings of ministers (and besides with all partners to the alliance) and, of course, also at meetings of the directors of armament.

Thus, too, in the German-British relationship there exists a listing of all current joint projects and joint projects which appear to be possible in the future. This listing contains bilateral development projects such as ASRAAM (Advanced Short-Range Air-to-Air Missile) but mainly they are projects involving the participation of additional partners. The combatworthiness enhancement of MILAN and the development of antitank weapons of the third generation are examples of weapons system areas in which Great Britain has associated itself as an equal partner in a previously bilateral German-French partnership.

But it is not the aim of such bilateral stocktaking to find out which projects one can carry out "only as a pair" but rather it aims at determining the areas in which cooperation appears to be possible at all. This also applies to the list of German-French cooperative projects and cooperative possibilities which you have mentioned.

I feel that it would be foolish if one were to limit oneself to a bilateral cooperation if by the inclusion of additional partners one could attain a far greater military and economic advantage and the further political bonus of strengthening the alliance. And there is something else: all the countries to which you have referred, in other words France, Great Britain and the FRG, are active members of the IEPG. I know from my own experience how decisively and successfully Great Britain works, for example, in the first chair of Panel I, to achieve a broad basis for European armament cooperation.

It would be as unfair as shortsighted for some nations to use their superior existing technological and industrial capacities to gain an ascendancy over other countries. With respect to multilateral cooperation we are now in a process of development and learning which cannot yield overnight ideal solutions for all partners, despite their differing internal structures. But I have no doubt that all participants will put forth earnest efforts.

WT: The Royal Navy has decided to order the sea-target missile HARPOON. This has also been introduced in the German Navy and by the Dutch. Are there plans to set up a joint supply system?

Schnell: We have ordered HARPOON jointly with the Netherlands in a foreign military sales case. On the basis of government agreement the FRG, the Netherlands, Denmark and Greece are cooperating in the logistics and are jointly using the testing facilities and repair facilities of Den Helder in the Netherlands.

So far as I am aware, Great Britain intends to use its own facilities for the newly ordered HARPOON just as they have done for the already introduced submarine version of this missile.

WT: In what areas do you see possibilities for closer cooperation with Great Britain?

Schnell: With respect to the past and the present, I believe that our cooperation can be judged to have been very extensive and successful. Therefore it is right that it should be continued and wherever possible intensified.

We shall certainly continue with emphasis the joint projects which have already been mentioned. Over and above these there are a number of important projects which must be put into effect. One of these is the Jaeger 90, on which France, Italy and Spain also want to work in addition to our two countries. The MLRS (Multiple Launch Rocket System) and AMRAAM (Advanced Medium-Range Air-to-Air Missile) are weapons systems for which we are all striving to achieve European manufacture. In addition, we are investigating cooperation possibilities with respect to artillery position-finding radar and for bridges and ferrying devices, to mention only a few projects in the domain of army equipment.

Great Britain is having conversations with us and France about Britain's participation in the German-French antitank helicopter 2 project. Over and above all this we hope for a broader field of cooperation in the area of tactical transport helicopters and naval helicopters. This, too, we would like to see in a larger European context and not just bilaterally. Our two countries are likewise participating in the multilateral NATO identification system NIS and also in systems of command.

In the area of military engineering research there are numerous information exchange programs and some cooperative agreements which in special domains cannot but advance the trend toward project cooperation.

On the whole I am convinced that German-British armament cooperation will continue to increase. Together we have been able to collect enough experience in large complex programs and in jointly overcoming difficulties. This experience and our common purpose of contributing to the union of all forces in the alliance is, besides the many inescapable pressures of reality, a strong motivation toward the future.

A Selection of British Armament Firms Having Connections With the German Industry

Alvis	Euromissile: HOT-Compact Tower
British Aerospace Aircraft Group	MBB: TORNADO, Experimental Aircraft Program, EFA/Pursuit Plane "90," Future International Military Transport Aircraft FIMA
British Aerospace Dynamics Group	Euromissile: MILAN, PARS 3 MBB: AMRAAM, SEA SKUA (KWS SEAKING), ALARM warhead ISS: NATO-Frigate 90 BGT: SIDEWINDER AIM-9L, ASRAAM, AMRAAM Blohm + Voss: Meko-Interfaces
British Shipbuilders	ISS: NATO-Frigate 90
Dowty	Diehl: COPPERHEAD Liebherr: Primary Flight Control EAP Rheinmetall: PzH-155-1 [antitank helicopter?] Panavia: TORNADO Fuel System
EO Systems	Siemens: Electro-Optical Products
Ferranti	Panavia: TORNADO Navigation System MBB: Helmet Visor, SEASPRAY Mk.3 and Data Link for SEAKING KWS
Gomba Stonefield	KHD: Vehicle Engines
Graviner	DEUGRA: Fire Extinguishers for Armored Vehicles
Hunting Engineering	EPG: MLRS Licensed Construction Diehl: MLRS-3 Consortium
Laser Engineering	Porsche: Hydraulic Shock Absorbers for Military Tanks
Lucas	Panavia: Cockpit hoods for the TORNADO EPG: MLRS Licensed Construction BGT: SIDEWINDER Components Pierburg: Fuel Control RB.199
Marconi	Panavia: TORNADO Avionics AEG-Telefunken: TORNADO Avionics BGT: TORNADO Command Stability Augmentation System AEG: MLRS-3 Consortium Siemens: TRIFFID Radio Communications, Licensed Construction AEG: ACCS (Joint Consortium)

Martin-Baker	Panavia: TORNADO Catapult Seat Auto-Flight: Catapult Seat Servicing, Tank Seat for PAH-2
MEL	Dornier: MAREC Radar System for Do-128 and Do-228
Muirhead	Siemens: Licensed Construction PTARMIGAN Facsimile
Normalair	Panavia: TORNADO Air Conditioning MBB: TRANSALL Air Conditioning
Oceonics	Siemens: HEROS Components
Plessey	Siemens: HERMES Components
Racal	AEG: Decca-Chain Dornier: Avionics Devices for Do-228 ESK, SEL: in the AMS Consortium for ACCS Shipyards: Radar, Eloka and Telecommunications Equipment
Rolls-Royce	Turbo-Union/MTU: RB.199, TYNE
Royal Ordnance Factories	EPG: MLRS Licensed Construction Krauss-Maffei: 105-mm Tank Cannon for LEOPARD 1 Rheinmetall: FH-70 and PzH 155-1 Wegmann: Improved LANCE
Smiths Industries	Teldix: HUD for TORNADO
Trackpower Transmissions	EPG: MLRS Licensed Construction
Thorn-EMI	Diehl: MLRS-3 Consortium Rheinmetall: Detonators for Artillery Ammunition
United Scientific Holdings	German Subsidiary
Vickers	Rheinmetall: FH-70, PzH 155-1 IKL: Submarines
Westland	Westland Sitec as German Subsidiary

8008
CSO: 3620/450

SWEDISH AIR FORCE COMMANDER VISITS NORWAY

Oslo AFTENPOSTEN in Norwegian 16 Oct 84 p 64

[Article by Liv Hegna: "Swedish Air Force Commander to Inspect Norwegian Military Facilities"]

[Text] "I have not come to Norway to sign any contracts between Norway and Sweden which could restore the balance of payments for defense materiel." This was the statement given to AFTENPOSTEN by Lieutenant General Sven-Olof Olson, the commander of the Swedish air force, upon his arrival at Rygge Air Base for a five-day visit to Norway. Olson is to visit the Raufoss ammunition factory, but otherwise will concentrate on military bases in Norway.

[Question] "Your tour also includes Andoya where Norway has concentrated its activity in connection with submarine surveillance. Will you give Norwegian military leaders some good advice on that matter?"

[Answer] "At present, Sweden exists as a buffer against the Soviet Union in the Baltic. Sweden recently has improved significantly its ability to detect and defend against submarines. Nonetheless, I am of the view that too many thanks should not be accepted since this easily could have the effect that other pressing military endeavors will be neglected," Lieutenant General Olson states. He adds that the role of the air force in antisubmarine activity is relatively marginal, but that both airplanes and helicopters play an important role as well in this connection. He had no special advice for his Norwegian colleagues.

Lieutenant General Sven-Olof Olson arrived at Rygge in a twin-engine propeller plane of the Cessna Titan type. He is to leave again already on Tuesday for Bodo. At that time, he will use a plane from the Norwegian air force of the P 3 B "Orion" type. As is known in Norway, there is a woman pilot (Fenrik Siri Skare) in that plane. Lieutenant General Olson says: "There is no reason that women should not fly. At the moment, we have not advanced far enough in Sweden to accept women in the air force. But we also certainly will reach that point."

The chief of the Swedish air force is to hold talks with Oddmund Hammerstad, permanent secretary in the Department of Defense, and with Lieutenant General

Alf Granviken, chief of staff of the air force supreme command, during his stay in Norway. He also is to meet defense chief General Fredrik Bull-Hansen.

Although Sven-Olof Olson does not have any contracts in his pocket concerning the purchase and sale of defense materiel, it is not unlikely that that will be one of the main topics during the lieutenant general's talks with political and military leaders in Norway. The issue is that Sweden buys Norwegian defense materiel for only half the price which Norway pays. According to information available to AFTENPOSTEN, there is to be a meeting between Swedish and Norwegian military and political leaders on this question at the beginning of November in Bodo.

12578

CSO: 3639/14

SOCIALIST PARTY, SOVIET OPPOSITION TO BUYING NEW INTERCEPTORS

Zurich NEUE ZUERCHER ZEITUNG in German 12 Oct 84 p 3

[Article by "R. St." on the debate about Austrian air defense: "Opposition Against Interceptors Within SPOe [Austrian Socialist Party]--New Problems for Sinowatz"]

[Text] Vienna, 10 October--The sky over the Sinowatz government has now partially darkened again after having cleared up as a result of some new ministerial appointments. At Steyr-Daimler-Puch, a state-owned combine, some plants have to be shut down, and jobs abolished. These are the kind of measures which the Socialists would rather portray as weaknesses of bourgeois economic policy than implement themselves. The funding of the not particularly popular Vienna Conference Center by Bruno Kreisky and former Finance Minister Salcher using Arab money is being criticized increasingly within the Socialist Party, and an expert close to the OeVP [Austrian People's Party] has voiced the opinion that it would have been possible to come up with the money in Austria on the same terms. As far as a tax on interest is concerned, the government has held out the prospect of an amendment which works to the disadvantage of the less affluent savers--those with regular savings accounts. And finally Federal Chancellor Sinowatz has been strongly criticized in his own party for wanting to transform the procurement of interceptors from a phase of mere rhetoric to one of materialization.

Party Youth in Opposition

As has been reported, Sinowatz wanted to set a certain course regarding aircraft procurement. While preserving Austria's neutrality, a little more attention is to be paid to military defense in the future. What Sinowatz regards as a question of Austrian self-respect is regarded by the party left as a superfluous task at best and is interpreted by more radical people as the beginning of the militarization of Austria. The purchase of the planes, which now officially are no longer called interceptors but surveillance planes, is opposed by all youth organizations of the SPOe and also by the party branches of Upper Austria and Tirol. The other seven provincial party branches are for the procurement, and among the members of the government only Social Minister Dallinger is reported to have voiced certain misgivings. Sinowatz acts as though he were sure that his view will prevail in the party executive committee.

The smaller of the coalition partners, the FPÖ [Austrian Liberal Party], has along been for strengthening national defense in this area as well, as has the opposition ÖVP. For Liberal Defense Minister Frischauer and his party, equipping the Federal Armed Forces with modern aircraft represents a gain in prestige even if, in light of the small number of 24 planes, the strengthening of the defense capacity is more of a symbolic nature. With the help of the new planes, it is said, it is possible to establish the identity of foreign military aircraft crossing Austrian air space. So far it has been possible to establish by radar only air violations per se--about 30 a year. In an editorial in the FPÖ central organ, ARBEITERZEITUNG, editor-in-chief Manfred Scheuch told the critics of the aircraft purchase (among whom, he suspects not quite without reason, are some out-and-out opponents of the Federal Armed Forces) that one cannot call the founders of socialism as witnesses in support of nonviolent pacifism. Their opposition to the military, he said, concerned the abuse of it as a domestic political instrument of power. This threat no longer existed today, for now the Federal Armed Forces supported by the Socialists were serving the defense of democracy and neutrality. According to Scheuch, the support of free people for their country goes hand in hand with being prepared to defend it if need be. Such tones--connected with an indirect compliment to Switzerland, at that--have rarely been heard from Socialist politicians in the past few years. In fact, on the letters-to-the-editor pages of the same paper, a majority opposes the aircraft purchase for ideological and practical reasons. The FPÖ now plans to cause a change in opinion in its own ranks with an informative brochure.

Soviet Pressure and Bait

The selection of the type of aircraft is to be made as quickly as possible so that the plans can be put in service in 1987. Possible types at present are the French Mirage (2.4 billion Schillings for 24), the Swedish Draken (1.6 billion Schillings), the British Lightning (1.6 billion Schillings) and the U.S. Tiger (3.4 billion Schillings). In the case of the first three, offers of used models have been made. In case the more expensive Tiger is chosen, the number of planes purchased may be reduced. The equipping of the armed forces with surveillance planes, particularly the procurement of U.S. aircraft, for reasons that have not been made entirely clear is meeting with considerable Soviet opposition. It is being learned from the Austrian Defense Ministry that Moscow would even be prepared to relax, or interpret more generously, the ban on missiles in the International Treaty in Vienna would forgo interceptors, particularly interceptors of U.S. provenance. The Austrian Government, however, regards the defense of its air space as an obligation based on the country's neutrality from which it cannot be prevented by another power.

No connection is being made between air space defense and equipping the armed forces with defensive missiles.

8790

CSO: 3620/47

CABINET ACTS TO EXTEND MILITARY SERVICE TO 18 MONTHS

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 18 Oct 84 pp 1, 2

/Article: "Military Service Extended by 3 Months--Coalition Agrees on Joint Position"/

/Text/ fy. Bonn, 17 Oct. To assure that changes in the law which are necessary to extend compulsory military service from the current 15 months to 18 months will take effect on 1 January 1989, Parliament is still supposed to act on the matter in this legislative session. The Federal Cabinet made this decision on Wednesday and instructed Defense Minister Woerner to initiate necessary legislative and other measures "to assure that timely action will be taken--which means in this session of the legislature--to guarantee that the operational readiness of the Bundeswehr will be adequate to accomplish its mission in the coming decade." The decision to extend the base period of military service is one of several measures Woerner asked the cabinet to act on. They are part of the overall planning review briefing by the ministry during a roundtable meeting of the entire cabinet. The cabinet's decision was based on this briefing which explained the risks posed by the Warsaw Pact to the Federal Republic's national security, the obligations that have been assumed within the alliance, and the Bundeswehr's plans for largely maintaining its peacetime force level and for maintaining it fully if called upon to defend the country--despite marginal financing and despite a decline in the availability of conscripts to a point where it will be 100,000 men below current requirements.

For the fulfillment of the defensive mission a force level of 1.25 million men is considered absolutely essential and, beginning in 1987, this level will have to rise to 1.34 million men to meet additional commitments made to the allies. The Ministry of Defense believes that a lower figure would have serious adverse consequences on the alliance and on the military posture. A relatively high peacetime level--currently set at 495,000 men--is thought to be indispensable for defending forward lines in case of a short 48-hour warning time to protect the deployment of allied forces and to allow our own forces to rise rapidly to a defensive posture. Corrective measures must be taken to counteract the shortage of 100,000 conscripts which will develop beginning in 1994 to prevent the total level of the Bundeswehr from sinking to less than 300,000 men.

Over the next 5 years it will be possible without serious difficulties to maintain the current peacetime force of 495,000 men which includes 6,000 reservists on active duty. However, something must already be done in this decade to counter the decreasing number of men subject to the draft. Some measures have already been initiated such as increasing funds for the induction of volunteers which began in 1983 and has already led to a considerable increase in the number of soldiers who have extended their military service. By making such a course more attractive, it is hoped that every eighth soldier in each age group--compared to only every tenth so far--will extend his military service beyond the period required by the draft. Beginning in 1991 the number of professional soldiers is to be increased from 86,000 to 90,000.

Compulsory Military Service to be Extended

Men subject to the draft will be most affected because as a result of the contraceptive pill only 152,000 men will be available for the draft instead of the required 250,000. It is therefore necessary to modify induction eligibility requirements to realize the desired 5 percent increase in the induction of draftees into the Bundeswehr which would be about 12,000 additional recruits. An additional 2 percent gain, about 6,000 men, could be achieved by reducing barriers to induction. Finally, the quota of men exempted for civilian disaster service should be reduced from the current 17,000 per annum to 10,000 which, given an 18-months period for military service, would result in a gain of 9,000 men. The most significant increase in manpower, however, must be achieved through an increase in the length of service. In addition to a gain of 27,000 men in effective strength through the steps listed above, the Bundeswehr will gain another 42,000 men by extending the period of service from 15 to 18 months. However, it is important to realize that all these steps will allow the Bundeswehr to maintain its strength close to its current level only into the next decade. Without a change in the birthrate it will not be possible to maintain force levels beyond that period even with considerable efforts.

Through the planned measures which the cabinet approved, it will be possible to maintain peacetime force levels to the end of this decade. Despite these efforts, however, the peacetime level of the Bundeswehr--comprising soldiers who extended their service, professional soldiers, and draftees--will fall to 456,000 men by the middle of the next decade. To compensate for this fact an attempt will be made to increase the utilization of reservists, to raise reserve training slots from the current 6,000 to 15,000 and to improve the availability posture. Should these measures prove insufficient to maintain the force level of the Bundeswehr, additional relief could be provided by increasing the percentage of professional soldiers and by prolonging the availability of draftees who have extended their service through the expedient of providing for their advancement in a civilian profession not during but following their military service. The option of allowing women to volunteer for service in the Bundeswehr--which was presented as a possibility in the cabinet briefing--was no longer mentioned by Defense Minister Woerner subsequent to the cabinet meeting. Woerner refused to give reasons for this change and insisted that the issue was no longer subject to discussions. The option of recruiting foreigners into the Bundeswehr in case of urgent need--which the long-range commission brought up 2 years ago--was decisively rejected in the briefing by the Ministry of Defense.

No Reduction in Personnel

The ministry rejected unequivocally any notion of adapting the size of the Bundeswehr to the decreasing birthrate by reducing it to 430,000 or even 400,000 men. A decrease to 430,000 men would mean abandoning 10 Home Defense Brigades and increasing the cadre of the army's combat support units even more. The air force would have to give up its flying units as well as some of its surface-to-air missile units which are part of the Federal Republic's air defense belt. The navy would have to immobilize units afloat. As a result, a unified defense of the Federal Republic's advanced positions would be jeopardized and the Federal Republic would have to forego protection through allied forces and thus the opportunity to defend the strip which lies within 100 km west of the GDR border which contains 25 percent of the Federal Republic's industry and 30 percent of its population. The defensive mission of guaranteeing the existence and independence of the Federal Republic could no longer be accomplished. If the force level were to be reduced still further to 400,000 men, the army would even have to dissolve 13 of its 38 operational brigades which are allocated to NATO. This would reduce NATO's warning period to 25 hours, enable the Warsaw Pact to attack with its deployed advance units from their current positions and make any defense of advanced positions impossible. The cabinet was also informed that a reduction in the size of the Bundeswehr would lead to the reduction of the armed units of the other allies stationed here and to a drastic deterioration of relations to all NATO partners and particularly the United States, England and France. Furthermore, the presence of American forces is contingent on the existence of adequate German armed forces.

The cabinet also accepted the armament and financial policy section of the overall planning review. On Wednesday, subsequent to the cabinet meeting and the briefing of the defense committee, Woerner made it clear that the materiel and financial plans contained some leeway and that the Bundeswehr could not maintain its operational readiness during the next decade without real growth in its funding. He also said that the emphasis was on accelerating improvements in reconnaissance capabilities, in air defense and electronic warfare, on better supplies of ammunitions, and on improving medical services. If these plans are carried out, the Bundeswehr will remain operationally ready in the next decade both with regard to materiel and personnel. This is the price that citizens will have to pay for security, peace and freedom.

12629

CSO: 3620/59

ARMY'S RECONNAISSANCE, TARGET ACQUISITION NETWORK DESCRIBED

Bonn WEHRTECHNIK in German Oct 84 pp 20-25

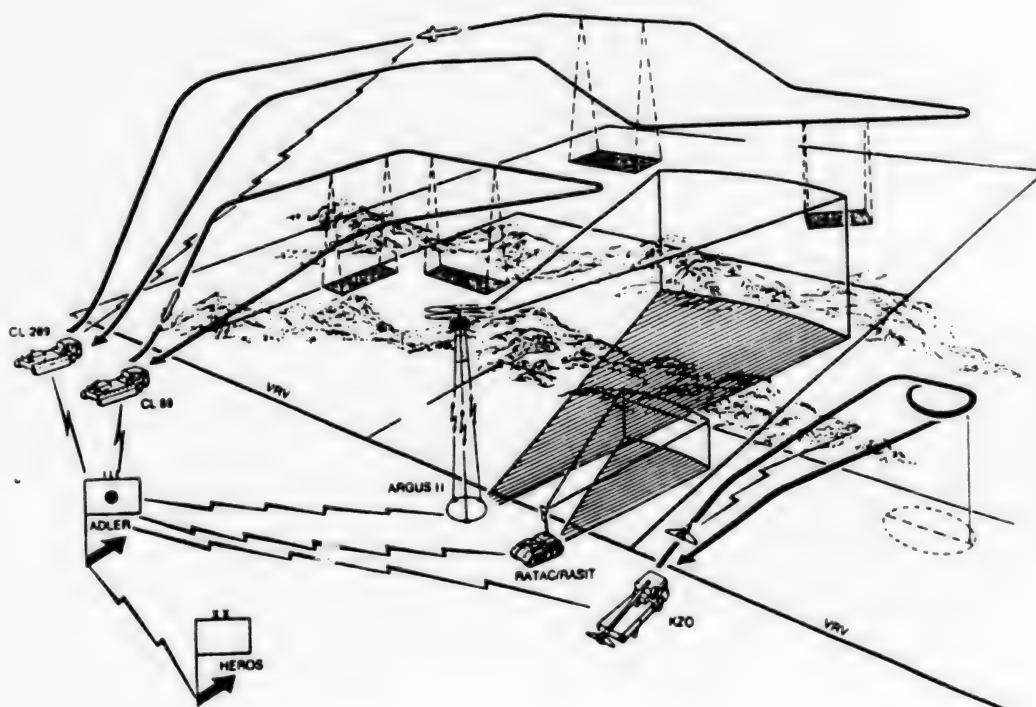
[Article by Wolfgang Flume: "Reconnaissance in the Army"]

[Text] The reconnaissance gap is frequently mentioned when one wants to accuse the military of neglect in their planning. This may have been justified in the past, since the weapons range was usually larger than the range of the reconnaissance systems needed for operating the weapons. In a few years, however, just in time for the introduction of the intermediate artillery rocket launcher with a range of over 40 km, the Army will possess an intelligence exchange system which, once the corresponding funds have been made available, can be described as truly comprehensive and almost without gaps. The following article shows how Army reconnaissance against enemy land targets is to be improved. It thus becomes clear that primarily the time needed for relaying the intelligence results can be decisively reduced.

The slogan "See and Be Seen" often used today has a certain validity for the military only in peacetime--see what the potential opponent is doing and planning, and been seen yourself in order to deter him. But once this principle has failed and the military is forced to intervene, then only the seeing, that is to say reconnaissance, has any validity. Being seen must then be prevented by all possible means of camouflage.

Intelligence is thus of importance both in peacetime and wartime, which was always the case--only, one did not always adhere to that for the most varied reasons, in which the question of finances had a not inconsiderable hand.

With the extension of weapons ranges and increased use of electronics, the need for intelligence grew, as did simultaneously also the capability of undertaking reconnaissance not only by day and over short distances. However, since with the limited financial means for equipping the Armed Forces the effectors, meaning weapons, still have priority over sensors, that is to say means of reconnaissance (at this point we will not even mention electronic control systems), it was only too understandable that the expression "intelligence gap" was soon heard. This was particularly so at a time when



Schematic representation of the Army's reconnaissance resources which have been introduced, are being introduced and are planned.

interest seemed suddenly to move away from forward defense in the direction of pre-forward defense, if countering the enemy advance even ahead of the FEBA (Forward Edge of the Battle Area) and knocking out his reserves and logistics may be described in this manner, meaning all of that which as "deep strike" has occupied the minds for a long time. Targets, stationary and above all mobile ones, far removed from the conventional battlefield, thus moved into the foreground of interest; in wartime these would first have to be reconnoitered before any engagement--however, the means for doing this are largely absent, except for satellites and high-flying reconnaissance aircraft.

Things look better in the "close-in area," and then primarily in the Army's area of responsibility. That is to say in the area where, according to statements by the Inspector General, Gen Wolfgang Altenburg, our efforts will continue to be concentrated for our defense: Forward defense and the means needed for this have priority over measures for "deep strike."

The plans of the German Army provide for the procurement of reconnaissance means, with which--perhaps for the first time--it will be possible to cover the targets and target areas which can also be reached with its own weapons. At the same time it is significant that these reconnaissance means are subordinate to the Army, and the information--largely transmitted in real-time--is collected and processed centrally, in order then to be forwarded to the troops almost without delay for the initiation of target engagement. With the high degree of troop mobility possible today, this reduction of the amount of time between target reconnaissance and weapons deployment is of quite decisive importance.

Situation and Target Reconnaissance

Basically, a distinction must be made between situation reconnaissance and target reconnaissance. Situation reconnaissance is meant to ascertain the distribution of enemy forces, in order to discover the possibilities and intentions of the enemy. Target reconnaissance is the search for targets, in order to be able to engage them. The one is therefore more of a surface reconnaissance, usually deeply into the area, the other point reconnaissance on the battlefield. In accordance with the responsibilities of the various military command levels, situation reconnaissance takes place at the corps or division level, target reconnaissance at the division, and, primarily, at the brigade level. The corresponding reconnaissance depths, which in turn depend on the armed forces of the Warsaw Pact, are for the brigade about 0-50 km, for the division up to about 100 km and for the corps up to about 200 km, and the individual areas overlap.

An important situation reconnaissance resource is electronic intelligence, that is to say listening to and direction-finding for enemy radio traffic and other sources of radiation, such as radar equipment. For this purpose manned aircraft, such as the U.S. TR-1, which also has a wide reconnaissance range due to its high flight altitude, continue to be used, as do stationary and mobile Army installations on the ground.

Imagery situation intelligence also requires the use of aircraft, equipped with optical cameras (photographic film, infrared film), infrared line scanner and sidelook radars, such as the RF-4E PHANTOM reconnaissance aircraft. A major disadvantage is the large amount of time necessary for the request, transmission and evaluation of the reconnaissance results--this often takes hours. This is also connected with the fact that the request and reporting procedure between the Army and the Air Force must pass through a number of stations--reconnaissance undertaken entirely within the area of responsibility of the Army has not inconsiderable advantages in this respect.

Manned reconnaissance with a specific penetration depth for the sensors is likely to be possible only from this side of the forward edge of the defense (FEBA)--penetrating reconnaissance, which for reasons of the aircraft's security can only take place at low altitudes, gives smaller coverage but therefore more detailed reconnaissance results. However, this tactic is also increasingly endangered because of the concentrated anti-aircraft defense on the battlefield, as well as at important targets in the rear area.

A significant step forward for situation reconnaissance was the introduction of drones, meaning unmanned systems with preprogrammed flight. The CL-89 drone, developed and manufactured by Canadair as principal contractor with the participation of Dornier, is used by five German divisions. This drone, which has a speed of about 700 km/h and a range of about 150 km, can thus penetrate about 60 km. As sensor for an approximately 25-km-long reconnaissance area it has a photographic camera or an infrared line scanning apparatus. One disadvantage of this system is the limited number of preprogrammable flight maneuvers, combined with the excessively long time until the reconnaissance results become available.

Considerably more progressive in this respect is the introduction, planned for the next few years, of the CL-289 drone jointly developed by Canadair and Dornier for the remainder of the German divisions and the corps. This new drone has greater penetration depth, with which it covers a good part of the corps reconnaissance sector, greater payload (both an infrared line scanner from SAT and a KRb 8/24 photographic camera by Zeiss) and a higher number of preprogrammable flight maneuvers. This enables it to undertake more course and altitude changes, and quasi-terrain-following flight is even possible. At the same time the number of sensor switches was increased and--quite significantly--the opportunity is provided for the infrared line scanner to transmit the reconnaissance results directly from the drone to the ground station--so that the Army will thus receive real-time reconnaissance results for the first time.

In comparison with manned aircraft, drones exhibit relatively low flexibility; unmanned, remotely piloted vehicles (RPV) would be more flexible, but in contrast to drones they can be jammed. Since a more or less visual link is necessary for this radio circuit between ground station and RPV, the deployment range is simultaneously limited. RPV's also cannot--without connecting up an airborne command center or relay station--penetrate as deeply as drones.

The depth and width in particular of the corps reconnaissance sector would require a dense deployment of drones with the limited reconnaissance area covered by one drone--but this is not likely to be realizable for reasons of finances and personnel, so that even in the future intelligence gaps in time and place must be tolerated. For the deployment cost, the following figures for a CL-89 drone battery (one battery per division) should give an indication: Each battery has two launch vehicles with a total of 12 drones, for the deployment of which 50 vehicles and 100 soldiers are needed. Between 24 (on Day 1) and 15 (on the following days) drones can be put into operation daily. Each drone--landing with a parachute--can be used about 10 to 40 times.

Under Preparation: Intelligence Exchange

Intelligence results must rapidly be turned into operational commands for units and weapon systems. This makes it necessary to centrally collect and evaluate the information arriving from the various sensors. Since the

artillery possesses the long-range effective means, it was also given the reconnaissance means it needs for the deployment of its weapons. The central information gathering and exchange center is the intelligence center of the artillery reconnaissance battalion of the divisional artillery regiment, which is equipped with the ADLER computer-supported artillery, situation and operational computer exchange as part of the ArtFueInFELSyst artillery command information and fire control system. ADLER itself gathers and processes situation and target-finding intelligence data from a multitude of systems. Among them are:

--Army weapons system and intelligence aids for monitoring the battlefield from the FEBA deep into the territory with the CL-89 and CL-289 drone systems, possibly ARGUS II, the RATAC and RASIT battlefield observation radars and the K20 remotely piloted midget vehicle for target location.

--Artillery-finding resources (AOM) for locating firing artillery with sound-ranging systems, optronic target location for the artillery (OZA) and artillery-finding radar.

--Atmospheric measurement and evaluation systems (ATMAS).

The data are passed on via ADLER to the artillery rocket operation system ARES of the rocket artillery battalions of the divisional artillery, which are or will be equipped with MARS/MLRS and LARS rocket launchers, as well as to the IFAB integrated fire control artillery battery in the tube artillery battalions on the divisional and brigade level.

Army Weapon Systems, Reconnaissance Means

While the introduction of the CL-289 drone as a means of situation reconnaissance within the Army Reconnaissance Resources is to be regarded as assured, the introduction of the ARGUS system as an additional, supplementary situation reconnaissance resource is still likely to be uncertain. Initially, ARGUS--developed and tested at Dornier--was a tethered flying device rising to a height of 300 m, which was to look about 60 km into enemy space by means of a radar located under the rotor platform. Certain technical problems with the tethered flying device, and also a greater need for intelligence which could not be met with this configuration, have had the result that another means of reconnaissance is being considered. For this Dornier is offering ARGUS II, a radar-equipped, unmanned, free-flying helicopter with remote control and real-time data transmission. This ought to assure that the battlefield will be monitored up to a depth of 50 km over long periods of time, which is not possible with drones alone.

The RATAC observation radar on the M-113 has a more shallow reconnaissance depth on the battlefield. Tanks and trucks can be located with high accuracy at a range of up to about 20 km. RATAC is in operation with the observation battalions of the divisional artillery as well as with the brigade artillery. A similar device is the RASIT radar on the FUCHS transport tank, which, however, is allocated to the tank reconnaissance troop. It is used for

monitoring the battlefield and for scouting reconnaissance. The range of RATAC and RASIT is also very limited by the relatively low position of the antenna--about 5 meters--and in practice includes only the area on the battlefield which can also be reconnoitered by optical means.

The K20 remotely piloted location-finding vehicle, which will soon enter the definition phase, is only to be used for target reconnaissance. This remotely piloted vehicle, to be equipped with a thermal imager, is said to have a speed of 100 to 200 km/h and to be able to stay aloft for over 3 hours. The K20 is controlled and the thermal image, which enables reconnaissance results to be obtained even at night and in fog, is transmitted by means of a jam-proof radio link from the ground--which necessitates a line of sight connection, again limiting the deployment depth to about 50 km. While the launching of the K20, proposed by Dornier and MBB [Messerschmidt, Boelkow, Blohm], takes place with a catapult or booster, a parachute/glide parachute is needed for the landing, or, as for the U.S. RPV AQUILA, a recovery net. This must be erected in terrain that is as free from obstacles as possible, and the RPV must come in on a very precise course. On the other hand, parachute landing is simpler, but could lead to damage to the reusable vehicle.

The K20, the introduction of which has been planned for the late 1980's/early 1990's, is the target locating instrument for the MARS/MLRS intermediate artillery rocket launcher, which has a range of about 40 km. The K20 is primarily intended for its terminally guided ammunitions, destined to be introduced by the mid-1990's. With the cooperation of K20 and MARS the engagement of mobile targets deep into the territory and during bad weather will become possible for the first time.

Artillery Position-Finding Equipment

The artillery position-finders described in more detail in WEHRTECHNIK 3/84, p 46, are used to locate the enemy's firing artillery, and can thus be used in a far more limited manner with respect to potential targets than the reconnaissance resources of the Army. Among these position finders of the divisional artillery observation battalions are:

--The SMA 085 sound-ranging facility, which is to replace the existing SMA 064 facility. Artillery discharges and impacts are measured by 10 measuring points (each with four microphones arranged in a square) over a 10 x 5 km-wide area on the near side of the FEBA. Since a report can be picked up simultaneously by several microphones and measuring points, the positions of enemy artillery can be determined. Some ideas also exist of sensors delivered remotely into the enemy sector by tube artillery, but there is a problem of accurately determining the position coordinates of the sensors, which are dropped by parachute and therefore subject to influence by the wind.

--Optronic target finding for the artillery (OZA). This is to replace the gunflash facilities presently in use. Comparable in construction and operation to the SMA 085, the OZA are used in the infrared spectral region to catch the direct optical phenomena or those scattered in the atmosphere after the firing of artillery, and to calculate the target coordinates from them.

--Artillery location radar (AOR) for replacement of the already introduced artillery radar equipment GREEN ARCHER with a 16-km range mounted on the M-113. With the AOR--the Hughes AN/TPQ-37 radar, for example, is being considered for it--the trajectory of enemy mortar and artillery projectiles is measured and used to determine the coordinates of the enemy positions.

Additional Means of Reconnaissance

However, additional means of reconnaissance are also used in the Army. Worth mentioning here are principally the artillery's M-113GA2 armored observation vehicle for monitoring the battlefield, target recognition and target finding, as well as the long-range scout employed for situation reconnaissance, in part deeply into the enemy sector. It will not be possible to do without these, although their importance will decline somewhat because of the use of modern, electronic, sensors.

The Time Factor

Although not all of the described situation and target reconnaissance means have been introduced at the present time, and certain intelligence gaps thus exist in specific areas--even the ADLER command system will not arrive until the end of the decade--it must nevertheless be recognized that for the first time there will be no discrepancy between the weapon and target intelligence ranges in the Army. The need for target reconnaissance for the intermediate artillery rocket launcher has been met.

Equally notable is the interconnection and multiple utilization of all intelligence results produced by ADLER on the divisional level, so that rapid target engagement is possible. If previously it took hours between the request for a long-range reconnaissance operation and the arrival of the information, this time has now been significantly reduced--which is also urgently necessary with the increasing mobility of the targets and greater range of the weapons. A simple arithmetic example may demonstrate this: If the time elapsed between the finding by a KZO of a tank column travelling 40 km behind the FEBA and the reception of the command to engage it by the intermediate artillery rocket launcher is calculated at only 2 minutes--during which time the target must be perfectly identified, the command given to engage the target, the suitable, available weapon system selected, the target coordinates transmitted to the launcher and the gun mount set up--and if 1.5 minutes are calculated for the flight time of the rockets, then a total of only 3.5 minutes have passed. However, in this time a tank unit driving 30 km/h can cover 1.75 km. If the scattering of the rockets--amounting to a few hundred meters for ranges of this magnitude--and inaccuracies in transmitting the target coordinates are included in the calculation, then in the worst case even terminally guided, independently target-seeking submunitions have difficulty actually finding and reaching their target, which meanwhile has "wandered off."

While good provisions have been made in planning with respect to the factors of time and reconnaissance range, from the aspect of intelligence density

there are likely to be certain gaps in the future as well. Here, the introduction of ARGUS II in a specific area could help to a certain extent. In this respect the problems are likely to come less from technology than from the available financial means. That is to say, the reconnaissance density depends decisively on the number of resources that can be committed; similar but different means of reconnaissance must overlap; this holds true for the area to be reconnoitered, for the time of deployment and in particular for the performance spectrum. The exchange made possible with ADLER can contribute to this to a certain extent, to be sure, and bridge certain gaps, but ADLER is not a panacea for a lack of sensors.

To sum it up, it can thus be said that the Army has a closed concept for the complex of problems called reconnaissance and that it will also have the corresponding means at the beginning of the 1990's. It remains to be hoped that the threat--which also includes camouflage measures against the sensors which come with the use--will not reduce the effectiveness of the means of reconnaissance so strongly that new gaps will again occur.

11949

CSO: 3620/31

FRANCO-GERMAN SURVEILLANCE SATELLITE PLANS DROPPED

Hamburg DER SPIEGEL in German 15 Oct 84 pp 23-25

/Article: "It Never Rains But..."

/Text/ Defense Minister Woerner has failed in Bonn with his plan to launch Franco-German spy satellite into space. The government in Paris is disgruntled.

Defense Minister Woerner had presented farreaching plans to the select small circle of the Federal Security Council. Together with France, his staff explained to the cabinet committee for national security in late September, the Federal Republic was planning to launch a system of spy and reconnaissance satellites into space. The purpose: Bonn and Paris no longer want to rely only on U.S. findings in intelligence gathering in the Eastern bloc, and become less dependent on the United States.

However, a guest of the secret group coolly interrupted the defense experts' flight of fancy. "What happens," asked Assistant Secretary Herman Strub of the Research Ministry, "if the sky is as overcast as it is today?" Meekly Woerner's experts conceded that their system would not be much use in that case. Amateur jet pilot Woerner had not taken bad weather into consideration in his agreements with French Defense Minister Charles Hernu.

Too much confidence in antiquated technology is not the only failing that was finally pointed out in the negotiations between Woerner and his French counterpart.

It became apparent in the Security Council that Woerner had allowed himself to be duped by the French--not to speak of his not having the funds to realize his bold plans. In their eagerness to crack the spy satellite monopoly of the United States, Woerner and Hernu some months ago had agreed on the development of optically functioning sky spies--the kind of system the French have some experience in.

Space expert Strub, who heads a division under Research Minister Heinz Riesenhuber, is much less impressed with this decision, however, because the most modern spy satellites examine the territory this side of and on the other side of the Iron Curtain with the help of microwaves and radar. An overcast

sky is no obstacle for such orbital agents; they are suitable for all types of weather. With this technology, the Americans, for example, managed to trace from space, through strata of the earth, the foundations of historical buildings of the Mayas in Mexico.

In the Security Council it turned out not only that Woerner had forgotten about measures to be taken in the event that it rained in the Soviet Union but that he had also neglected to make other arrangements. At current prices the system is supposed to cost about DM2 billion, with Bonn and Paris each paying half, and the production of the satellites with all equipment was to be contracted out to both countries in equal proportions.

The more Woerner's experts went into detail, however, the more it became apparent that almost 75 percent of the contracts were to be handled in France. While the Germans in the end would have only been in charge of the optics, they were to remain responsible for coming up with DM1 billion as their share of the cost.

When it was no longer possible to conceal the fact that Woerner had been ill prepared, the representative of the finance minister in the Security Council went one better, criticizing the fact that the defense minister had made no allowance in his budgetary plans for the billion marks needed for the espionage alliance with France. With that Woerner's satellite project has for now fizzled.

So, in the event that a spy system should in fact be necessary, the Security Council decided that it should be a system which

- because of its up-to-date technology can function in any kind of weather,
- has been integrated carefully into a joint European space plan, and
- has the necessary funds available as a result of previous allocation in Woerner's budget.

To guarantee all this, the Security Council appointed a committee, with not the Defense Ministry but Research Minister Riesenhuber in the chair.

In the meantime Woerner will have plenty of time to devote himself to an unpleasant duty: he has to make it clear to his French counterpart, Hernu, that for the time being nothing will come of the Franco-German satellite dreams.

True, Woerner has given assurances time and again that he had made no firm promises to Hernu but had only arranged for "studies" to be conducted. Though he speaks excellent French, his Paris counterpart apparently understood it quite differently: he consistently considered the "studies" to be firm promises.

On behalf of Woerner, Undersecretary Lothar Ruehl duly informed the French by letter that the "studies" could not proceed as decided, causing great indignation on the part of the addressee.

Hernu told his German counterpart via the German Embassy in Paris that as far as he was concerned the matter was not closed by any means and that he would place the subject on the agenda of the next Franco-German summit meeting at Bad Kreuznach in late October.

In the meantime Chancellor Helmut Kohl can figure out how to once more help out of a predicament a minister whose standing suffered seriously as a result of the Kiessling affair.

8790

CSO: 3620/56

AUSTERITY REFLECTED IN DEFENSE PROGRAM CUTBACKS

Zurich NEUE ZUERCHER ZEITUNG in German 18 Oct 84 p 5

[Article: "Action to Effect Savings in France's Armed Forces"]

[Text] In view of the efforts to effect savings because of the tight financial situation in France not only is next year's defense budget FF 1.3 billion below the anticipated ceiling. Rather, in addition to this normal deficit, which because of the effects of inflation will in fact cause more than double the loss in the armed forces' purchasing power, maneuver and training activity will now also undergo new cutbacks.

For the second time the annual "Corrigan" maneuver in Brittany, in which units of all the armed forces should have taken part, has been cancelled. Just like last year when the exercise was likewise called off, units of the 9th marine infantry division in particular, the helicopter carrier "Jeanne d'Arc" and the amphibious landing ship "Ouragan" should have participated in it. But because of financial stringency and with reference to the fact that like last year the affected troops in any event could have had sufficient combat experience in Lebanon and Chad, the red pencil has once again been put to work. Even though by way of justification Minister of Defense Hernu used the argument that because of France's troop commitment abroad this year the level of activity of many units was above the originally budgeted predictions, it now appears worrisome that next year additional cutbacks will again result. Thus, in the case of the army thought is openly being given to reducing to 45 or even just 40 days the length of activity on field duty with equipment which at present is 50 days. Beyond that, the number of training days, which led to date has been tightly allocated for maneuvers in the field within the framework of division and corps, is to undergo further reduction: in one category it would decline from last year's 45 days to only 38 days next year, while in its place more mere staff exercises would be considered.

Training Days Saved

Not only the army, in whose case anyway only a few elite units of the Rapid Deployment Force enjoy partial propagandistic preferential treatment, but also the navy and mainly the air force again must suffer from the attempt to keep

operational costs as low as possible so that at least the major share of budgeted equipment procurement can be financed. In the Navy at the beginning of Mitterand's 7-year term a combat ship on the average chalked up 106 days of sea duty while about 88 days are calculated for support units. In the case of combat units now next year will apparently fall short of the 100-day threshold and will decline to a level which is comparable to the average values during Giscard's time whereby the current "interval of activity" would be allowed to be increased only from around 30 days of operation to the average operational period of the U.S. fleet.

On the other hand, the renewed drop in the number of hours of flying time in the air force has substantially more critical impact. In 1974 it was 470,000 hours. Precisely 10 years later it was programmed for only 403,000 hours. Although in the first year of Mitterand's 7-year term it had still amounted to 408,000 hours, now for the first time it is to drop below 400,000 hours while the long-desired goal continues to be 420,000 hours. Some 180 hours of flying annually or 15 hours monthly per pilot are considered to be the NATO average minimum. It may well no longer be possible to maintain this everywhere in view of the now anticipated further decline in activity.

Additional Costs Because of Interventions

By way of comparison, air activity in the air forces of the United States and Great Britain is annually several dozens of hours of flying time higher than the French economy number. Fuel costs for the French armed forces are calculated on a dollar basis fixed at FF 7.8 while the current rate of exchange is more than FF 9.

The additional costs caused by intervention operations in Chad and Lebanon are thus forcing France not only into a certain curbing of procurement programs, but also into an increasingly more drastic curtailment of exercise activity. It is not just a matter of chance that here and there is confirmation of opposition to Minister of Defense Hernu's earlier promises about a new "dynamic" in garrison operation which all too easily could again deteriorate into a "school of boredom" as had once been criticized by Hernu himself in 1974 from the opposition side because of the acts of mutiny by conscripts. The effective military "training view" of oversea's interventions is, moreover, not undisputed if one thinks back, for example, to the guard action in Beirut. Following the current inspection mission in Africa by General Lacaze, chief of the staff of the armed forces, it is apparently certain that the combat forces which have been withdrawn from the "Esso" east axis in Chad, mainly the 2nd marine infantry regiment, are to be kept back for the present in the Central African republic in Bangui and Bouar "for all eventualities." That will cost more money. Minister of Defense Hernu is still trying to exert pressure for overall budget funds for supplementary military expenditures in the current budget year, including FF 1.5 billion in Chad and about FF 700 million in Lebanon.

U. S. ALLEGEDLY PLANNING TO TRANSFER MILITARY BASES

Transfer to Italy, Turkey Reported

Athens TO VIMA in Greek 30 Sep 84 p 5

/Article by Giannis Roumbatis/

/Text/ An American "top secret" plan and two "military movements," which have been realized secretly, lead to the conclusion that the United States is reconsidering the question of its military presence in Greece in light of the new reality created by the Greek-American agreement on the bases--thus confronting now all eventualities...

Specifically, the Americans have drawn up a plan for transferring the Suda base to Italy. They have already transferred to spy satellites certain activities of the Gournes base in Irakleion, Crete, and they have made changes in the U. S. communications system so its operation would no longer depend on the five stations now in Greece.

The plan for transferring the Suda base is part of a study which examines the military interests of the U. S. in the Eastern Mediterranean and provides for the transfer of this base to an area in the Gulf of Taranto in Southern Italy. (Ed. note: This port is a natural one in the center of the Gulf. It is 32 kilometers from the San Vito base which is one of the biggest American spy bases in the Mediterranean. It is also near the American military telecommunication installations at Martina Franca.)

Finally, if the Suda base is transferred to Taranto, then almost the entire Sixth Fleet will be stationed in Italy. Task Force 69, which consists of nuclear submarines known as hunters-killers, is headquartered at Naples. At Gaeta north of Naples is the headquarters of the Sixth Fleet flagship and its auxiliary installations.

From time to time, the American Department of Defense has made similar studies which examined the possibilities of transferring the American military installations from Greece to Italy or Turkey. Its conclusion was that even though from a geographic point of view their transfer to Turkey would be preferable, it would, however, be possible to secure better ports and auxiliary installations in Italy.

The problems the Sixth Fleet would face from a possible transfer from Greece to Turkey are included in a study the American government prepared for consideration by Congress. The study underlines, in part: "Unless new installations are constructed or unless the old ones are expanded, Turkey is in no position to provide strategically located naval installations which, by their very nature, would be able to replace those now in Suda Bay, Crete. The Ismir port in Turkey, for instance, could not accommodate ships bigger than a small aircraft carrier but it could be developed into a complex similar to that of Suda Bay."

The American base at Suda Bay began operations after the 1959 bilateral agreement which followed the use of the Suda airport by American (spy) naval patrol planes and by transport airplanes which brought supplies to the Sixth Fleet. During the junta years and specifically in 1971, the activities of the Americans at the Suda base were expanded considerably. At that time permission was granted to the Sixth Fleet fighters to use the Suda airport whenever necessary. In addition, naval patrol planes started anti-submarine missions for the purpose of locating Soviet submarines in the Mediterranean.

At the American side of the Suda base there are also a mine depot (to be used by the Sixth Fleet in the event of war) and depots of aircraft munitions. But, beyond the plans the Americans prepared for transferring the Suda Bay base to Italy, they have also made changes in the operational manner of the spy base at Irakleion, and of the U. S. defense telecommunication stations at Patera, Megara, Parnitha, Khortiat, Englouvi of Levkas and Ederi of Crete.

The U. S. National Security Agency base is located at Gournes, Crete. The most important activity of this base is to steal electronic signals and to monitor the telecommunications in Northern Africa, the Middle East, and the Balkan countries and, of course, Greece, Turkey and Israel. Some of these activities are now being carried out by satellites. This, however, does not mean the base does not continue to be an important information base for the U. S. Now, they simply begin to acquire the possibility of collecting information by other means the Gournes base was providing until now.

The changes made to the American defense communications system render "replaceable" that section of the system now located in Greece. This is part of the world network of American defense communications and provides the American forces in Greece with the possibility of communicating among themselves and with those in the rest of the world. The progress achieved in the area of electronic technology now provides the American forces the opportunity of communicating with each other without necessarily using the defense telecommunication system in Greece.

But, regardless of whether the Suda Bay base is transferred or not, and regardless of the changes in the operations of the Gournes base and of the telecommunication stations, one thing is certain: there is a base in Greece--in Nea Makri--which can never be replaced unless there is revolutionary

progress in technology. According to well-informed military sources in Greece and abroad, the geographic location of this base is such as to make it irreplaceable because of the special conditions existing in the sea area where the base is located. From this base the Americans have, among other things, the possibility of communicating with their submarines from the Mediterranean to the Indian Ocean.

Erroneous Government Policies

Athens POLITIKA THEMATA in Greek 5-11 Oct 84 p 14

/Excerpts/ Something has changed in the way the American officials are treating--at least publicly--the socialist government of Athens. They never miss an opportunity to intervene, sometimes to deny something the government said is not true and sometimes to warn that their patience and stamina have been exhausted.

With regard to the bases, a pro-government newspaper revealed something--which was known long ago to official Greek circles--that the Americans are disturbed by the Greek statements, threats, declarations, blackmail, etc., concerning the bases and have worked out alternative solutions for the future of these bases. In this framework, they have decided to transfer them, in a given case, from Suda to Taranto, Italy.

At the same time they are planning a progressive transfer of the other base at Gournes, Irakleion. The same newspaper report states that the bases will be moved either to Italy (west) or to Turkey (east).

Italy-Turkey, Instead of Greece

To everyone's surprise the government avoided commenting on this information which confirms that following the hubbub of the last 3 years, the American experts at the Pentagon have taken the necessary measures for their defense. This, of course, is their right as well as their obligation. But they did something worse concerning the importance of the Greek area; the strategic importance of Greece as a country-member of the West: they immediately went ahead and strengthened our two nearest allies (Italy and Turkey) at the expense of our importance, basing their action on the dangerous Greek government declarations and threats; the successive retractions of our foreign policy; the injurious and provocative turns to the East and the Third World; the continuous provocations towards friends, partners and allies; to the overall, in other words, weakening of the support Greece traditionally had abroad.

The reaction could be a little cynical for us. But it was real because the superpowers do not act at their expense or at the expense of the general allied interests. It is a tragic mistake for Greece and its interests as Papandreou said--evidently in a state of euphoria--that the West needs Greece more than we need it. The truth is that we need each other equally.

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CSO: 3521/25

FRENCH FIRM LOWERS AIRCRAFT'S PURCHASE PRICE

Athens TA NEA in Greek 21 Sep 84 p 22

/Text/ Representatives of the French company Desso, which makes the Mirage 2000, yesterday made new proposals to the Greek government for the purchase of fighter planes. The proposal was made during a meeting with National Economy Minister G. Arsenis, the adviser to the premier G. Papanikolaou and other officials.

Specifically, Valier, chairman of the company's board of directors, Pierre Francois, alternate chairman and the official negotiator Paule Zayiar /all names transliterated/ offered more compensating benefits for the Greek side and at the same time they lowered the purchase price of the aircraft.

The new French proposals will be studied by the government in conjunction with the new American proposals from General Dynamics, which makes the F-16, and Northrop and McDonnell-Douglas which manufacture the F-18.

As is known, according to a decision by the Government Council for National Defense and the Government Council, the selection of the new fighter aircraft as well as the exact number to be purchased must be made before 1 October. However, it is anticipated that the decision for the selection will be postponed for 1-2 weeks since Arsenis, who is handling the matter, is leaving today for the United States where he will meet with representatives of General Dynamics and McDonnell-Douglas.

The Leopard

The ratio between the number of armored units Greece and Turkey have is changing at the expense of the first. The secret negotiations presently going on between Turkey and Germany are certain to arrive at an agreement for joint production by the two nations of the Leopard-type armored unit. A 10-member German high-level delegation for final talks has been in Ankara since 16 September.

As VIMA exclusively reported, according to the plan "REMO" of the Turkish Defense Staff, the joint production is scheduled to start in October. The factory is located in the Arifiye area and it is expected that by the end of

1984 it will produce the first of 400 (other reports place the number at 500) Leopards. Among other things REMO provides for Turkey's self reliance in the production of arms systems.

According to reliable military sources Turkey presently has 150 Leopard 1A3s, 100 M-47s and 400 (modernized) M-48s.

Greece has 106 Leopard 1A4s, 100 M-26s, 350 M-47s and, according to unfirmed reports, 50-80 Corsairs.

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CSO: 3521/17

SOUTHERN NAVAL FORCES CHIEF PLEDGES TOUGH STANCE ON SUBS

Oslo AFTENPOSTEN in Norwegian 15 Oct 84 p 2

[Article by Real Admiral Rolf E. Pedersen, chief of Naval Forces for Southern Norway: "Suitable Weapons Will be Used for Hunting Actual Submarines"]

[Text] A newly published book, written by Real Admiral Nils A. Owren, supports a hard line against submarines which may belong to foreign, non-aligned countries and which are cruising illegally in Norwegian fiords and close-in coastal waters. Since Admiral Owren's view--especially concerning the use of weapons by our ships--does not completely mesh with the actual realities according to which the naval forces currently operate, a few clarifications may be necessary.

The author speculates over the motives which foreign, non-aligned submarines may have for possibly conducting illegal operations in Norwegian navigable waters. Based on submitted reports of observations, he describes how and why a violation possibly can result.

Admiral Owren maintains, however, that there is no hard proof that foreign submarines actually are violating Norwegian territory to the degree that the numbers of such reports would suggest. The book's conclusions, therefore, to some degree must be based on suppositions.

When he asserts that foreign submarines have violated Norwegian territory 100 times during the period from 1968 to 1982, this includes, for example, that in 85 of the cases of "possible submarines," it cannot be established whether a submarine or something else had been observed. At present, we receive in southern Norway an average of one report per week of simply an "unidentified underwater object." The estimate is that approximately three-quarters of the observations do not involve foreign submarines, while the remaining one-quarter have been registered as "possible."

The high number of reports undoubtedly is consistent with the fact that the people, after the events in Sweden and the Hardanger Fiord operation in April 1983, have become more aware of the problem and more likely to report irregularities.

According to the author, there are many things in the sea which very easily can be confused with parts of submarines, especially during bad weather.

Many of the reports also appear to be innocent or can be based upon observations of our own submarines.

This does not preclude the possibility that from time to time we may have uninvited visitors.

The author also discusses the use of weapons in connection with anti-submarine operations. In this connection, however, it should be emphasized that our weapons have differing capacities which limit their use. For example, this would be the case in the use of lethal torpedoes in certain navigable waters.

With respect to the book's title, "Sink the Devils," the government also has issued guidelines which allow for the possibility for interim use of all types of weapons and torpedoes. The country which sends a submarine in to cruise illegally in our navigable waters must bear full responsibility. Therefore, the naval forces, in a given situation, will not hesitate to use all suitable weapons. But a foreign submarine first must be located before it can be attacked.

Locating is a large problem today. New equipment for improving our capacities for determine whether in fact a foreign submarine is in our navigable waters--and where it possibly is hiding--is under development and is being acquired.

Admiral Owren, who in 1978 concluded his long service in the navy as chief of the Naval Supply Command, knows better than most that such acquisitions take time. There also is a question as to how many resources should be used for investing in finding and locating possible foreign submarines in our navigable waters during peacetime. Many other important endeavors also require their own acquisition of equipment.

Searching navigable waters during peacetime with a view toward determining the presence of a possible foreign submarine should not, however, be confused with our anti-submarine efforts in wartime.

During war, our efforts will be to prevent attacks on coastal shipping. A submarine may be searching for us then. The roles will be reversed. But the submarine, of course, will continue to have the advantages on its side.

To the extent that Admiral Owren's book can contribute to increasing our knowledge concerning the many reports of "unidentified underwater objects" along the coast, it can be useful. It emphasizes the necessity for being vigilant. In many respects, we are fortunate that our citizens who live along the coast cooperate in that which is happening.

Let me repeat therefore: The navy takes seriously all reports of "unidentified underwater objects." And we will continue to do so.

12578

CSO: 3639/14

PRODUCT LINE SHAKEOUT AIDS CAMERA INDUSTRY RECOVERY

Duesseldorf WIRTSCHAFTSWOCHE in German 5 Oct 84 pp 178-180

[Text] Factory errors and Japanese competition have strongly decimated the German camera industry. Market offers and special products are making the remaining members of the once proud industry much more competitive internationally.

Here the Germans were really proud: As if it were a matter of rare historical museum pieces, the Japanese, who had come in droves, stood in line patiently just to catch a quick glimpse of one of the Leicas. "Leica cameras," the Ernst Leitz Wetzlar Company, Inc., announced after the show in an information brochure, "are considered in Japan to be a symbol of perfection in small picture photography."

But the photographically enthusiastic Asians searched in vain at the display of German accomplishment for the "Made in Germany" on the lenses or the cases of the displayed instruments. For a good decade now the traditional Wetzlar firm has had its expensive measurement-seeking cameras M4-P and lenses made in Canada and the mirror-reflex camera R4 in Portugal. Still: After a rigorous cutback program in which the staff was cut by a good third to about 3,600 employees, Leitz is now in the black again.

But the profits come from the occupation with measuring technique, microscopes, and instruments. "Our weakest money-making section is the photographic area," Werner Simon, the manager responsible for technology and photography, admits openly. In good times, the Hessians produced a good 60,000 cameras a year. Today it is only half as much. And photography's share of the total turnover in the past year is only 30 percent of 340 million marks.

Gradually, however, a shift in the trend seems to be showing itself. In the first eight months of the current year the expensive Leitz cameras increased by five percent over 1983. In the group of cameras over 1,000 marks the market share in the Federal Republic lies at the respectable 30 percent.

The fact that the market in the amateur area has passed its peak (see the chart) is to be sure only one of the reasons for the decline of the once proud branch. "They rested on their laurels and let technological development pass them by,"

said Volker Storck, manager of the Duesseldorf branch's paper, INPHO. The bill came promptly. Eagerly the Japanese sprang into the breach, pushed through cost-favorable mass production, and surprised everyone with perfected technical systems at consumer-friendly prices. "The Japanese," Storck said looking back, "have proved that the markets were there."

Even for Jochen Muennich, chairman of the board of the Association of the German Photographic Industry, there remains only a sober summary: "The flagship of this industry -- camera production -- has fallen to a great extent into the hands of the Japanese and the Americans. The Germans just fill in gaps here and there."

The five Japanese photo giants alone, Canon, Minolta, Nikon, Tentax, and Olympus, divide the lion's share of the German market for mirror-reflex cameras -- 570,000 units last year -- among themselves. In pocket and disc cameras the U.S. giant, Kodak, dominates the scene.

The consequences are bitter: Names such as the Nuremberg camera producers Noris or Eumig disappeared completely from the scene. Voigtlaender only survives as a brandname under the direction of the trading group, Plusfoto, Inc., and Company, Ltd. Zeiss-Ikon does not produce cameras anymore, only lenses now and then for its Japanese cooperating partner, Yashica. And even Agfa-Gevaert stopped its production line in 1982. Muenchner Kamerawerk, a complete subsidiary of Bayer, at times had losses of turnover size and suffered -- typically for most of the German photo industry -- from superannuated factories and production methods as well as from an unhappy operational and marketing policy.

Friedrich Wilhelm Rabenschlag, manager of logistics and operations on the Agfa board, learned his lessons from this. In the future, according to his credo, all the possibilities of simplification and cost reduction must be exhausted "to maintain our competitiveness in the strong competition in this industry." Chairman of the Board Andre Leysen continues to regard the amateur area, which has just about a third of the world turnover of about seven billion marks, as a "problem child." But in any case this area will again be in the black in 1986. In the "technical" area, which includes X-ray as well as graphics and office systems, profits are quite good: For 1984 the Agfa management attained a profit of 600 million marks before taxes.

Scarcely a doubt: the technical area of photographic application in technology, science, medicine, and communications is becoming more and more important for the industry. Last year 54 percent of the total turnover of the industry fell in this area, 9.6 billion marks, while the amateur photo market clearly hobbled behind with 46 percent. The trend of specializing in certain areas is clearly becoming a trend. It is becoming the patent and survival recipe for the German photo industry.

The attempt to mass produce many units in the wake of the Japanese ended with the failure of the Rollei Works. All that is left is Rollei Fototechnic, Inc., a complete subsidiary of the British United Scientific Holdings, Ltd. Since then,

things have become better again in Braunschweig. Rollei manager Norbert A. Platt doesn't want to waste much time worrying about the past. Instead, he prefers to announce ambitious goals: "We want to be the worldwide market leaders in the area of high-priced intermediate format cameras."

In order to meet the rising contract volume for the new professional cameras, the Rollei management gave up a week of its vacation. In the area of 6 X 6 millimeter mirror-reflex cameras, the Braunschweiger want to be ahead of the Swedish competitor Hasselblad by attaining a market share of 64 percent in the Federal Republic. Alongside of the mass-produced products with a good share of handwork, Rollei is also offering with its 330 employees and 31 million mark yearly turnover special solutions according to the wishes of its customers. The concentration on professional customers has paid off, according to Josef Hein. "We are making money."

On the other hand, this is questionable at Minox, Inc., in Giessen. "We are having our difficulties," sales manager Rolf Kasemeier complained. "The competition and price pressure from the Far East is getting stronger and stronger." Minox got the big jump years ago with its small seeking cameras for the normal film format of 24 X 36 millimeters (sales pitch: "The smallest in the world"). A success, to be sure, that the Japanese promptly joined with well-equipped cameras. At Photokina the Giessener, owned by the Rinn family clan (RuC-Cigars, tobacco shops, machine tools), want to counter. There a new camera is supposed to be introduced, the details of which have up to now been kept strictly secret.

While Minox with its 760 employees is one of the few companies in the German industry that still has the mass market in view, the target group of the Munich Linhof Precision Camera Works, Inc., is quite clearly the area of professional studio, architectural, and landscape photography. Japanese competition leaves business manager Heinz Broeker completely cold. With a share of 20 percent of their exports, the Bavarians are themselves in the lion's den as much as any others in the running.

With 250 employees and about 21 million marks yearly turnover, Linhof remains today to be sure clearly under the 6,000 cameras of the peak years. But the production of the cameras, which cost almost 7,000 marks, "feeds their owner" (Broeker). Ten years ago the Munich company stopped doing business in private cameras.

Of those who still are at it, not one wants to quit doing business with the amateurs. In spite of the apparently satiated market, which is even bringing the Japanese into trouble, association leader Muennich is not quite ready to give up, and he beams with cheerful optimism. His hopes are directed toward the baby-boom generation and their predictable family beginnings: "Experience shows that 70 percent of all pictures are taken within the family." The Japanese and the Germans are trying to revive the German photo industry with advertising expenditures of 100 million marks. Up to now without much success. For with a yearly consumption of only 1.7 films per person in the population, the Germans do relatively less clicking. Americans, on the other hand, take

about three films a year.

Storck thinks that not one of the least important reasons why the "motive bell" does not ring is that industry, big labor, and business have neglected to stimulate the consumer in common advertising. Whether such motivation will come from the magnetic picture technology the Japanese firms have hawked so loudly seems rather improbable to Storck. "Nobody is talking about that anymore."

For Leitz photography manager Simon an abandonment of photochemistry and the traditional means of taking pictures is also a long way off. "Nothing much will be done there before the turn of the millenium," Simon said with a glance at the digitalized display that his firm wants to keep an eye on just the same. At photokina, the Wetzlarer want first of all to present a more conservative innovation: the Leica M6, a measure-seeking camera with selective light measure through the lens. What is really surprising here is not so much the technology as the fact that the new apparatus is again being produced in the Federal Republic. The high exchange rate of the Canadian dollar has eliminated the cost advantages of production abroad. Full of pride, Simon said, "Now we again have a 'Made in Germany' Leica."

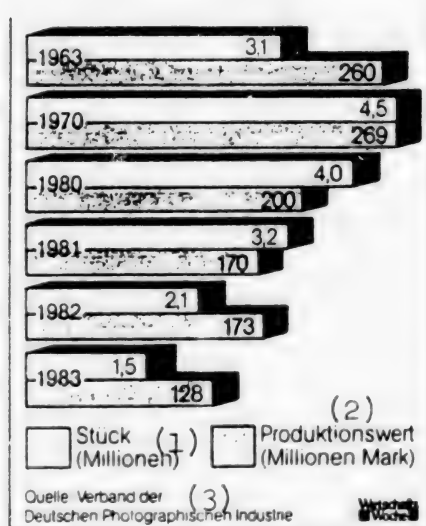
Shrinking Market in All Areas: Consumer Expenditures for Amateur Photographic and Film Products in the Federal Republic of Germany Between 1978 and 1983 (in millions of DM):

	1978	1979	1980	1981	1982	1983
Stehbildfilme, Stehbildkameras, Wechselobjektive, Elektronenblitzgeräte, Dia-Projektoren (1)	1855	2040	2305	2250	2300	2110
Schmalfilme, Schmalfilm-Kameras, Schmalfilm-Projektoren (2)	591	620	585	485	330	240
Fotofinishing, Heimlaboraus-rüstungen, Stative, sonst. Zubehör (3)	1854	2090	2110	2165	2120	2050
Gesamt (4)	4300	4750	5000	4900	4750	4400
Quelle: GfK, Nürnberg (5)						

Key:

1. Still picture film, still picture cameras, shifting lenses, electronic flashes, slide projectors
2. 16 mm film, 16 mm film cameras, 16 mm film projectors
3. Photo finishing, home dark room equipment, stands, other accessories
4. Total
5. Source: GfK, Nuremberg

Goodbye to the Camera: Development of Camera Production in the Federal Republic Between 1963 and 1983:



Key:

1. Units (millions)
2. Production Value (millions of marks)
3. Source: Association of the German Photographic Industry

9124

CSO: 3620/71

MAJOR ARMAMENTS FIRMS REPORT MIXED 1983-1984 PERFORMANCES

Bonn WEHRTECHNIK in German Sep 84 pp 20-21

[Text] Even in a midsummer that is producing goosebumps in the north and hailstorms in the south, companies are presenting their annual reports about the previous business year. They are all identical in one respect: a description of a depressed phase for the world economy linked with the perception that the turnaround has not occurred in the past year, the climate has improved, however, so that hope is appropriate.

Rheinmetall Newly Structured

Dr Hans Hockel, chairman of the board, stated that 1983 was the first "normal" year under the new structure for the Rheinmetall group. The group--depicted in the media usually as arms manufacturers--describes itself with some justification as a machine construction company with three operating areas, defense technology (Rheinmetall GmbH), machine construction (Jagenberg AG) and consumer goods (WMF AG).

Machine construction made up 38 percent (an increase of 6.7 percent), military technology made up 37 percent (an increase of 13.5 percent) and consumer goods made up 25 percent of external sales of DM 2.54 billion, which rose 7 percent for the reporting year.

It was apparent at Rheinmetall GmbH that sales remain relatively free of the influences of the economy. In some sectors, particularly automatic weapons, there was a less than satisfactory use of full capacity, which has lasted for some time. The Bundeswehr has not yet come to a decision about the caliber of the successor of the 20-mm. This market remains interesting, because the Bundeswehr still has more than 6,000 20-mm cannon available in its inventory. It was not possible to find a way to compensate for this product area because of the continuing restrictive export policy and the financial difficulties of potential customers.

Among heavy weapons, the share of manufacturing for the Leopard 2 battle tank continues to be the basic load. Production for the Bundeswehr and the Netherlands is running on schedule, and it will be supplemented in the future by deliveries to Switzerland.

The main emphasis in the area of ammunition is tank ammunition for the Leopard 2. The military technology operating area has 36 percent of the DM 98.4 million in investments in capital goods. Expenditures for research and development of 8 percent for the company, relative to sales, were more than 10 percent for military technology (in-house and contract related developments). The expectation for 1984 in defense technology is for the ratios to remain about the same, that is to say, the basic load will be Leopard 2 and large-caliber ammunition together with employment problems among automatic weapons. Followon contracts after Leopard 2 expires after 1986 are needed. They could be: combat effectiveness upgrading of Leopard 1 and the production contract for the PZH-155 self-propelled howitzer. In large-caliber ammunition, Rheinmetall sees its task as lying in the complicated types of ammunition. In the next few weeks the new 155-mm high-capacity [term not positively identified] and the extended range Rh- 49BB and the Rh-69 will be introduced.

The change in government has not found any expression in numbers in defense technology, but, Dr Hockel, the chairman, noted that the climate had improved.

Diehl in the Process of Consolidation

In the accounting year 1983 the management of the Diehl was rearranged, which entailed shifting tasks previously dealt with centrally to the divisions, which were given greater competence to make decisions. The principle of collegial cooperation holds true in the central management of the group and in the divisions. Involvements that are not assigned to individual divisions are overseen by the group management.

The individual divisions are: semifinished metal products, clocks, switching systems, machine construction, weapons systems, ammunition and crawler tracks.

The Diehl group was able to conclude the accounting year with an almost unchanged sales volume of about DM 1.8 billion--better than was forecast 1 year ago. The average number of employees during the year was about 12,600, which means a reduction of 2.5 percent when calculated over the year. Fixed assets declined as the result of selling its share in a company and increased leasing of plant (from a Diehl company which is not part of the consolidation group) from DM 253 million to DM 199 million. Capital and reserves cover 94 percent of the fixed assets. Together with long-term loans, they exceed fixed assets by 23.1 percent. Amounts transferred to reserves (including a reserve of DM 25 million for an increase in capital) rose by DM 59 million to Dm 403.8 million. Short-term obligations decreased from DM 477 million to DM 389 million, and long-term obligations fell from DM 24 million to DM 12 million. Claims rose from DM 286 million to DM 298 million. The balance sheet total was DM 1.086 billion. The financial structure is healthy and makes their desire to have a share in Krauss-Maffei--no offer has been made yet--appear realistic.

In the weapons systems division the low figures of the previous year were exceeded. As a result of the extension of the Tornado program and the expiration of the Alpha jet, the manufacturing capacity for the 27-mm cannon are not being adequately used.

The decision of the Swedes to introduce the 27-mm weapons system in the future Gripen fighter plane must be counted as a success. Volume production is under way for the 30-mm automatic cannon for the Wildcat antiaircraft system and as a shipboard and field gunmount as well, as for the Greek Artemic program. The repair branch reports a normal load; orders involve the 40-mm L70 antiaircraft cannon, the MK 35-mm for the Gepard antiaircraft tank and the 27-mm aircraft cannon.

The new orders for ammunition from the Bundeswehr have not yet shown any positive effect on business because of the technical conditions of the leadtime. Diehl occupies a leading position in the manufacture of terminally controlled munitions, at least in Europe. Accordingly, collaboration with RTG, its joint subsidiary with MBB, was intensified. The first production run for the MW 1 weapons system is expected, as well as its participation in the MLRS [Manual Launch-Radar Search] construction program.

A decline in sales for crawler tracks was experienced, but the branch for rubber and rubber-metal parts is reporting satisfactory progress in business.

The company reported its market position in the Diehl system chain in business abroad, where the reequipment trade is showing positive developments. The export share of sales is clearly down. Development efforts in the crawler track product area are being directed towards design improvements, simplifying manufacture and the use of new materials.

A similar result is expected in 1984 as in 1983. This seems to be a very conservative calculation.

Dornier--An Acceptable Conclusion to the Year

The important information about Dornier has already been anticipated in the portrait of the company in WEHRTECHNIK (7/84). However, this group of companies is always good for surprises. On 1 September Dornier will have a chairman of the board in Dr Manfred Fischer, and NAMMA [NATO Multi-Role Combat Aircraft Development and Production Management Agency] head Hans Ambos will exchange his safe civil servant's chair quite deliberately for the ejection seat in the family business, responsible on the board for research and development. Dr Bernhard Schmidt, who withdrew from the position, will certainly not be idle for long, even if the 2-year restraint of competition stipulation seems to be a millstone around his neck.

If one can draw any conclusion from the discussion at the press conference on the statement of accounts, the southern Germany company is a manufacturer of kidney stone pulverizing machines with an ancillary civilian aircraft construction business. True enough, the share of military sales is declining with the expiration of the Alpha jet, from 54 percent (1982) to 51 percent (accounting year) to probably 45 percent (1984). This is understandable, if the Alpha jet was contributing DM 263 million in 1982 and is bringing only DM 100 million in sales in 1983. Even an increase for the Do 228 from DM 7 million to DM 65 million and for the Airbus from DM 15 million to DM 44 million cannot compensate. Profits on sales (1982: DM 1,437.7 million) fell more sharply than

predicted. The picture was somewhat more realistic in looking at the total production: DM 1,380 million (1982: DM 1,483.9 million). The annual surplus dropped from DM 36.2 million to DM 26 million, and the cashflow from DM 205.4 million (1982) to DM 134 million. The number of workers increased slightly on an annual average from 8,656 to 8,792.

Now for the individual areas of activity. Dornier is participating in project definition studies for the Fighter 90 program. In 1985 the series production and preparation phase will begin for the CL 289 reconnaissance drone. There are prospects for supplying additional CL 89 drones.

Dornier is participating at naval headquarters on guidance and operating systems and is the chief contractor for the Ares. The German-Danish seabed mine 80 is supposed to go into production in 1986. A strong upswing is expected in 1985, with about DM 450 million in space travel, as a result of the beginning of the countdown phase of the European earth reconnaissance satellite ERS-1.

MBB--Padded

Member of the board for finances Broschwitz described the company's financial situation: "We have put in place all the operating and financial prerequisites to tide us over business developments in the years ahead that will be partly stagnant and partly declining." Profits on sales of DM 5,875 million are divided 50 percent aircraft (DM 1,290 million military, DM 1,618 million civilian), 9 percent helicopters (DM 526 million), 32 percent military technology (DM 1,896 million), 6 percent space travel (DM 337 million) and 3 percent other (DM 208 million).

The share of exports in sales declined from 65 percent (1982) to 62 percent. The share of military products in sales abroad rose from 56 percent to 59 percent, most likely on account of the poor market situation with the Airbus. In 1983 the volume of orders reached DM 9.6 billion, to which the release of the sixth batch of Tornados and the agreements on the TV-SAT and DFS [Demonstration Flight Satellite] Kopernikus made their contributions.

Capital and reserves of DM 215 million are included in development outlays of more than DM 1 billion. The number of employees was reduced by 1,704 to 36,790 workers. From the company surplus in the amount of DM 91.7 million, DM 69 million was returned to reserves, so that DM 22.7 million remained to pay a 6-percent dividend.

Net cashflow increased from DM 286 million to DM 393 million. The question to what extent MBB will gain control of Krauss-Maffei will probably be decided at a political level.

Healthy MTU

MTU is solidly on both feet in the year of its double anniversary (MTU Munich, 50 years, MTU Friedrichshafen, 75 years). The report for the accounting year 1983 states: Sales at MTU Munich rose by only 1.9 percent to DM 1,029.3 million with deliveries for the RB 199 reconnaissance bomber making up almost one half

(+10.1 percent), with DM 497.6 million. A total of 913 engines were delivered by the end of the year. Construction of the Allison 250-C20, which was being built under license (for Bo 105), came to an end in mid-1983 with the delivery of the 715th engine to the Bundeswehr. Manufacture of parts and components for the Larzac, Tyne, 250-C20, J79 and T64 declined.

Components for the CF6 civilian engines (versions -50 and -80A) contributed DM 155.5 million to sales. Orders at the end of the year amounted to DM 1,656.6 million, more than 42 percent above those of the previous year, with DM 1,066.2 million going to the Tornado B 199 engine alone. At year's end orders had passed the DM 2 billion barrier, with DM 2,092.9 million (75.2 percent for the RB 199, 16.3 percent to civilian engines). The staff declined slightly in numbers to 6,417 workers. Increases in tangibles came to DM 71.6 million (DM 46.3 million last year). Depreciation amounted to DM 49.4 million.

In 1983, MTU Friedrichshafen accounted for half of its engine sales in powerplants for ships (total sales DM 1,150 million). An additional one-third came from engines for heavy vehicles, with the battle tank Leopard 2 being the most prominent. A total of 54.6 percent of sales were conducted directly with foreign countries, the geographically most important area being the Middle East and the Orient. Orders received rose compared with 1982 (DM 917.8 million) by 27.6 percent to DM 1,171.2 million. In February 1984, the orders for the last batches of Leopard 2 program for the Bundeswehr were received (a total of 1,800). In 1982 there was underutilization of full capacity because of a shortage of orders received, which led to occasional shortened work hours. The numbers of employees fell by 205 to 5,912 workers. The percentage of trainees in the total workforce rose to 5.9 percent. The areas of emphasis in research and development were increasing performance in large engines, reducing consumption and engine accessories.

9581

CSO: 3620/451

AGREEMENT WITH LIBYA DRAWS FIRE

Loss of National Independence Seen

Athens POLITIKA THEMATA in Greek 28 Sep 84 p 24

/Article by Mikh. Melas: "Libya, PASOK and 'Dependence'"

/Excerpts/ Surely it must be a coincidence--it could not be otherwise--that Papandreou's two visits to Libya were made...on the eve of the elections in our country. And concerning the assistance given to PASOK in 1977 (I mean moral assistance...of course) for its rise to power, much was made known then and thereafter. Moreover, the fact that Papandreou was accepting support and assistance from Libya and the United States at the same time was a curious coincidence even though these countries are not friends...and are pursuing opposite interests.

Among the requests the Greek side made was the deposit of up to 400 million dollars in the Bank of Greece. It was announced that this request was accepted since Libya "expressed such a wish." What remains now is its realization. A similar request was made by the premier to the Arabian Gulf states in 1982 and similar promises were given but not a single dollar was deposited in Greece.

But beyond the impressions and sensationalisms, our distinguished economists--those who undertook the task to transform Greece in a socialistic way--would do well to study the impasse our country would face if for any reason, foreseeable or unforeseeable, the deposited millions of dollars were withdrawn. Or do they forget or pretend not to know what a horrendous weapon we are surrendering to our foreign lenders and depositors since it is very evident that the day following the deposit of this amount the Bank of Greece would be forced to convert it into drachmas because of its urgent needs?

The friendly country which offers this service to the "borrower" at a moment of desperate need can conveniently use this threat in a coercive way to achieve some political or other reward. And the indebted one...would then be obligated to yield. Thus, today's victor of the "unprecedented" success would then become badly defeated.

Therefore, the danger from relations being established between a benefactor and a beneficiary contains the seeds of dependence, and the submission of the second is but a few steps away. The terms are dictated by the strong, not by his implorer...

As concerns the foreign exchange-bearing investments which will be discussed in detail in the next few weeks or days, they will be accomplished through the Hellenic Industrial Development Bank or through a new state mechanism... I leave it to others who undoubtedly will cover this enormous "affair" to analyze and interpret the improvisation and unpreparedness of such investment "collaboration" between Libya and Greece!

One wonders if the economic "super actors" of the government policy understand what a tremendous responsibility they are shouldering with this total "opening" which took place in Tripoli, since it is evident even to the most ignorant and naive that one does not offer nor accept everything vaguely and without well predetermined conditions except if one is in a desperate position. Proclaiming, therefore, as a triumph what would make all of us skeptical as well as terrified, Papandreou failed to consider that he is in danger of being misunderstood, that he offered an unprecedented "sellout". At the same time he deprived himself of the right to never repeat again his beloved term of "national pride."

With absolutely justified pride, the premier brought with him in Athens the "credentials" which prove the "coincidence of objectives" with friendly Libya. (Let frightened Europe see what it is losing!) Thus, his usefulness as a "bridge builder" during difficult times is now proved as is, also, the result of his intermediary policy "of friendly relations." This is perhaps the unique reward the Papandreou policy gives to the Libyan leader: to mediate, to act as a go-between for him each time the arbitrary conduct of the Libyan authorities creates diplomatic impasses. It seems this is proof of the "multidimensional" foreign policy, to hold, that is, the "trump card" of mediation with a leader of a foreign power of whom all are afraid but who loves and trusts you. "We studied you, we tested you and we trusted you," exclaimed Jaloud.

While the ink of the historic signatures was still drying in Tripoli, the right of Papandreou to call his Movement as the "force of independence" was extinguishing forever in Athens. If he has chosen to characterize the major opposition as "a pole of dependence," he alone has now created the suspicion against himself of having auctioned our country politically and economically and under conditions which agree with the narrow partisan interest of his party.

Agreement 'Not Binding'

Athens | KATHIMERINI in Greek 14-15 Oct 84 p 8

/Excerpts/ When the agreement with the United States, which established the conventional possibility of having the military bases remain in Greece for an

indefinite time, was renamed by the Papandreou government as an "agreement for the removal of the bases" and when an attempt was made to persuade the Greek people that this constituted a "vindication of the struggle to free Greek soil from foreign bases," the attempt to present the Papandreou "talks" with his counterpart in Libya as a binding agreement for both sides is not "a plain postcard" as Maroudas /the government spokesman/ would say.

The Greek people have the right to learn "what it is all about" every time the postcard assumes dimensions of a major political issue. However, the government stubbornly refused to submit to the Chamber of Deputies the text of the agreement so the deputies could be informed without deceitful generalities about the obligations we assume towards Socialist People's Arab Jamahiraiya and about the obligations Qadhafi is undertaking towards Greece. And it assumed dimensions of a major political issue because the government denounced as a "national sellout" the question Eurodeputy Boutos submitted to the European Parliament if the Greek government had made known this agreement!

However, following this "anti-national" action, the government introduced in the Chamber of Deputies the texts Papandreou and Jallud signed in the Libyan capital, thus proving that the step taken by the ND Eurodeputy was effective as well as nationally correct since it forced the government to suspend the constitutional and parliamentary rules of our country! At the same time the true nature of the texts was revealed and this is what Papandreou was trying to avoid. And since he failed, he launched an attack on a national sellout so the people would pay attention to this attack and forget the agreement.

The "Agreed Minutes" do not constitute an agreement. They simply express a mutual desire of what could be done if certain preconditions were met. The procurement by Libya of Greek goods, services, special machinery and the rewarding of contracts to Greek companies for public and military projects in Libya will be carried out "...under the condition that the prices will be competitive." In other words, if any Libyan official deems that the prices are not "satisfactory", the agreed trade exchange will evaporate. Thus, we shall not get the Libyan oil nor will Libya receive Greek goods and services!

7520

CSO: 3521/28

INFLATION STILL HIGH DESPITE GOVERNMENT PROMISES

Athens MESIMVRINI in Greek 8 Oct 84 p 8

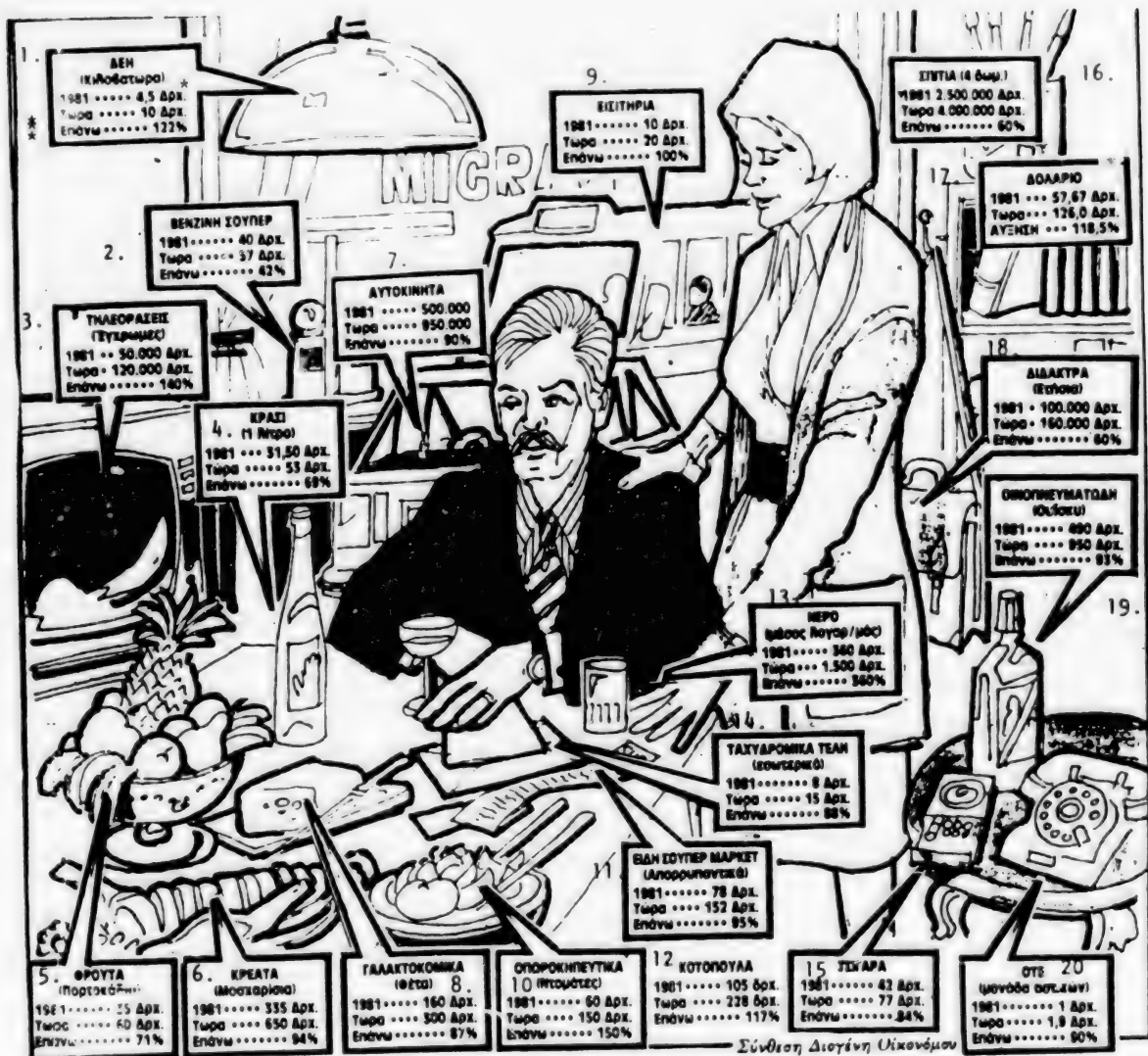
/Text/ During the 3 years of PASOK governing the family budget went sky high. The small householders were forced to substantially limit their purchases and reduce consumption. This led to a market crisis and to the bankruptcy of commercial enterprises.

The pre-election slogans about "fighting the high cost of living" and about "taming the inflation" proved to be a utopia. The effort of the Ministry of Commerce to cleanse the market failed dismally. Even the "battle of impressions" given by past ministers was lost as was also lost...the trustworthiness of the various measures. During these 3 years the salary earners who were characterized as the main supporters of PASOK received most of the blows. The government's anti-popular income policy destroyed them financially. At the same time they became victims of the non-existent PASOK policy in the market area and of the continuous and uncontrolled price increases of the essential goods and the "successive" battles the Ministry of Commerce was giving (and losing) from time to time.

On the other hand, the promises about checking the cost of living index were also unfulfilled since 3 years later this index has not dropped under 20 percent.

Another fact which worsened the consumer situation was the continuous devaluation of the drachma, thus rendering more expensive the imported goods as well as domestic ones.

A comparison of prices of essential consumer goods and services /see drawing/ during the 3-year period PASOK has been in power, confirms the frenzied galloping of the prices and the incessant emptying of the housewife's "bread basket." Thus, the water supply fees were quadrupled, prices of foodstuffs more than doubled, electricity increased by 122 percent, tickets by 100 percent, automobiles by 90 percent, telephone charges also by 90 percent, TV sets by 140 percent, etc. Also, the dollar, achieving an enormous jump, showed an increase of 118.5 percent going from 57 to 126 drachmas.



KEY:

- | | | |
|---------------------------|------------------------------------|-----------------------------------|
| 1. Electricity (kwh) | 8. Dairies (feta cheese) | 15. Cigarettes |
| 1981 4.5 drachmas | 9. Tickets | 16. Homes (four rooms) |
| Today 10.0 " | 10. Vegetables (tomatoes) | 17. Dollar |
| Rise 122% | 11. Supermarket items (detergents) | 18. Tuition fees (annual) |
| 2. Gas - Super | 12. Chicken | 19. Alcoholic beverages (whiskey) |
| 3. Color TV | 13. Water | 20. Telephones |
| 4. Wine (per liter) | 14. Postage (local) | * Repeated throughout |
| 5. Fruits (oranges) | | |
| 6. Meat (veal) | | |
| 7. Automobiles | | |

7520
CSO: 3521/28

GEOLOGISTS OPTIMISTIC ON NEW GAS, OIL EXPLORATIONS

Natural Gas Potential Reassessed

Frankfurt/Main FRANKFURTER ZEITUNG/BLICK DURCH DIE WIRTSCHAFT in German 18 Sep 84 p 5

[Text] The "BEB (the Brigitta and Elwerath Labor Unions Operating Company)" has just begun evaluating a series of seismic investigations which should clarify the potential for natural gas exploration in a completely new and surprising area where the occurrence of oil and natural gas is presumed: the Harz Mountains. Geological formations in this region, as in the other regions of the German Central Uplands, were always considered absolutely worthless with regard to possible natural gas and oil deposits. These areas comprise geologically ancient rock formations which date back to the Paleozoic era and have largely recrystallized, i.e. they have been transformed by heat and pressure to such a degree that they can no longer hold any useful hydrocarbons (oil and natural gas), because such deposits are destroyed at temperatures of at least several hundred degrees Celsius to which the typical rock formations of the Central Uplands have been exposed. In addition, these formations have been so compacted that they no longer have sufficient pores and fissures to hold liquid or gaseous energy sources.

These criteria for evaluating the probability of deposits in the German Central Uplands are still valid today. According to the most recent conceptions regarding the subsurface structure in West Germany, however, the Central Uplands were not formed by "rooted" rock formations which were pushed up in place. Rather, they appear to be massifs of displaced rock which have been laterally overthrust on top of younger and far less metamorphic rock transformed by heat and pressure. It is possible that these overthrust cap rocks are only a few kilometers thick, making it economically and technically feasible to drill through them to look for deeper hydrocarbon deposits.

This conception not only refutes all of the ideas, considered classical truths, developed since the last century about the geology of the Central Uplands regions, but also requires a rethinking of West German geoscience. That these new ideas are not purely hypothetical has been proven by oil exploration in America: There exists on that continent a zone of rock formations "similar to the Central Uplands which runs from north to south--up to 100 km wide and more--which was also considered for a long time to be devoid

of any oil or natural gas deposits." Successful exploration for oil and natural gas has been pursued for almost a decade in younger rock beneath this high-grade metamorphic rock. The "overthrust zone" in the western part of the country is probably currently the most active area of exploration on the mainland.

For several years West German geoscientists have had to live with the fact that the bottom is being pulled out from under their Central Uplands, and that the Uplands are nothing more than unrooted cap rocks. A series of deep exploratory drillings of up to 10,000 meters--the "continental deep drilling program" for which preparations are currently being made--should among other things clear up these revolutionary aspects. However the first of these very costly exploratory drillings, for which a plan drawn up by Dr R. Emmermann in Giessen has already been submitted to the Federal Ministry for Research and Technology, will not be able to get under way for several years.

As has often been the case, it is possible that basic geological questions, such as in this case the makeup of the overthrust cap rock in the German Central Uplands, will be resolved by the oil industry pragmatically and out of economic necessity beforehand, at least for the Harz region. The "Prakla-Seismos" (Hanover) has carried out a so-called subterranean ultrasonic examination of the Harz using its "Vibroseis" method in which sonic waves are produced continuously by impacts on the ground. These waves penetrate the earth's crust and are reflected back to the surface, giving us information on the depth and structure of the layers of rock. The Vibroseis method has a far lower environmental impact than the previously used method of generating seismic sonic waves by means of small explosions. The results of these measurements--which were already begun in 1983--should be useful in determining where to drill any natural gas exploratory wells through the "overthrust cap rock" of the Harz.

According to what we currently know about the structure of the rock around the Harz, geological formations containing natural gas should exist beneath the rock. These formations are primarily new-red sandstone, i.e. principally sandstone formed from dunes or shoals around 250 million years ago, which in many cases is highly porous and capable of holding gases. The gas in this rock came from the degasification of hard coal strata in the carboniferous formation beneath the rock. This "new-red sandstone" holds huge natural gas reserves in northern Holland--the largest gas deposit in Europe. Part of the sandstone containing gas in northern Holland--the "Slochteren" sandstone-- extends into the Hanover area, where it also contains a large quantity of natural gas.

In the past several years an obviously extremely important gas deposit in northwest Germany has been developed in this new-red sandstone, where natural gas extraction and exploration had previously concentrated on the Oldenburg area and the Emsland. It was above all the discovery of the Soehlingen gas field which stimulated drilling activity. The rock in this field had to be specially "treated" to increase productivity; a fissure, or "frac", had to be produced in the rock to allow the natural gas to escape.

Whereas in 1981 the oil industry was still concentrating its exploratory drilling in the Oldenburg area, 1982 saw more exploratory gas wells in the Hanover "new-red gas deposit" than in the Oldenburg area (13 wells as opposed to 11), according to a report in the publication ERDOEL-ERDGAS [Oil and Natural Gas]. According to the same source, in 1983 exploration activity concentrated even more on the new Hanover natural gas deposit, with 18 wells as opposed to only 6 in the Oldenburg area. New fields continue to be discovered in the course of this exploration activity.

A new-red sandstone formation with the same potential ought also to exist under the Harz if the assumption is correct that these mountains are simply overthrust cap rock from deeper within the earth's crust. Analysis already under way of the results of seismic exploration will show whether or not this sandstone formation contains sufficiently thick strata of adequate porosity located such that it is feasible to drill through the Harz cap rock. If the results of this analysis are positive, the BEB should soon incorporate the first natural gas wells in the Harz into its drilling program: It will be a geoscientific sensation not only in West Germany but also in Europe when "root canal work" is first performed on a piece of the Central Uplands.

Bavarian Oil Fields Explored

Munich SUEDEDEUTSCHE ZEITUNG in German 19 Sep 84 p 9

[Article by Sonja Niesmann]

[Text] In the Dachau hinterland the search for "black gold" also looks promising, although the potential there is modest when compared to the great Arabian oil fields, for example. Hebertshausen, a community north of Dachau, is becoming oil community number one in this rural Kreis. At the end of August, the Deutsche Texaco Company in Hamburg, a subsidiary of the American Texaco corporation, drilled the "Hebertshausen III" well at the entrance to the community in Prittlbach; this well is an expansion of the Hebertshausen I and II wells. After "Haimhausen I" at Amperröding, this is now the fourth well location.

The 37 m tall rig which stands directly next to the railroad embankment, can be seen from some distance. The depth of the shaft can only be imagined: The drill has chewed its way 1500 meters down through the various rock strata. The bit is cooled by a mixture of fine clay dust and water. This coolant mixture exerts pressure against the walls of the shaft to prevent any earth from falling into it, and also generates pressure at the bottom of the shaft. "Otherwise," quipped site foreman Horst Jueidens, "a fountain of oil would shoot out of the shaft like in the TV series 'Dallas'."

Normally workers at the site are on shift duty around the clock, including weekends and holidays. However activity at Prittlbach has been curtailed since the middle of last week.

Residents who live near the drilling site had complained about the incessant noise of machinery at night. When the number of complaints increased, the

supervising authority, the Board of Mines in Munich, had noise measurements taken and an expert report prepared which indicated that the noise level at night exceeded permissible limits. "Because it was not possible to take immediate steps to reduce the noise level, we were forced to suspend drilling operations between 10 PM and 7 AM," said Konrad Fuenfgeider, head of the Board of Mines.

This requirement has caused a number of technical problems for the petroleum company, and has led to increased costs. Because there must be continuous movement in an open well to keep it from collapsing, every night steps must be taken to secure the well. "We cannot predict what technical complications may result", said Texaco press spokesman Harald Graeser.

The schedule has also been disrupted--drilling work was to have been concluded at the end of September.

Whether or not Hebertshausen I is even worth working cannot be decided until after a series of tests has been concluded. "The economic profitability depends on various factors--primarily the expected quantity and the quality," Graeser said. The Hebertshausen I and II fields, which have been worked for some time, are now yielding around 20 cubic meters of oil per day. The oil being extracted at Prittlbach is not pure oil, but rather an oil/water mixture which must first be separated and cleaned before it is sent to the refinery for further processing.

There are also no results yet in Hamburg for "Haimhausen I", where the Texaco crew drilled for four weeks in July. Graeser is also unable to say whether the petroleum company is planning more drilling sites in the area around Hebertshausen. "The preliminary geological investigations indicate oil deposits, however we must wait and see what develops. A further well is usually drilled after preceding ones have yielded positive results." In any case site foreman Horst Juerdens will only believe in the find when it starts producing oil. The geologists always say there could be something there, but they won't say anything for the record. "As far as we're concerned, they're not geologists, but 'lie-ologists'," he jested.

12644

CSO: 3620/46

MOUNTING OIL INCOME BLAMED FOR INFLATION, UNEMPLOYMENT

Stockholm DAGENS NYHETER in Swedish 29 Sep 84 p 16

[Commentary by Bjorn Lindahl: "Dangerous Oil Money Threat to Norwegian Economy"]

[Text] Oslo, September--Norway is being drawn irresistibly into growing dependence on petroleum. Income from the North Sea is setting new records this year. How the oil money should be spent has become this fall's hottest political issue.

When Minister of Finance and Customs Rolf Presthus presents next year's budget on Thursday, it will be stuffed with tidbits. Many will probably call it pink instead of light blue, which is the color of the policy pursued by the non-socialist three-party coalition so far.

Ever since the Norwegians discovered oil in the North Sea in 1969, economists have been warning that Norway must not wind up with a "Kuwaiti economy" in which petroleum knocks out domestic industry.

The country is well on its way. Last year petroleum accounted for one-third of its exports, one-fourth of the government's revenues, and one-sixth of the gross national product.

Oil money is enabling Norway to view the future more brightly than most other countries. But it is not happening without anguish.

"One can say somewhat jokingly that according to Catholic economists, it is no sin to give in to an irresistible temptation. Norway is being tempted to use its oil money in a shortsighted way so as to increase consumption and buy its way out of unpleasant problems.

"But Norway is a Protestant country with puritanical traditions. Use of the oil money is therefore causing a serious guilt complex, and the politicians are wavering between misusing that money and exercising excessive restraint," says Oystein Noreng, the best-known Norwegian oil economist internationally.

The oil money was misused between 1974 and 1977, when the Social Democratic government tried to bridge what was thought to be a temporary slump in the world economy following the first oil crisis.

Foreign loans were used to ladle out subsidies to industry and agriculture, and every fourth workplace in those sectors eventually came to be subsidized. But the crisis lasted longer than had been expected, and it became much more expensive to expand the large oil and gas fields than had been estimated, on top of which there were delays in the work.

Giant Debt

Norway suddenly found itself with a foreign debt of 100 billion kroner, the equivalent of half the gross national product. Only countries such as Chile and Israel had gotten themselves similarly head over heels in debt.

At the start of 1978, the government yanked the emergency brake. It introduced a wage and price freeze that lasted through 1979. For the first time in this century, excluding the war years, the LO [Norwegian Federation of Trade Unions] lost its right to negotiate.

But Norway received help from an unexpected direction. Ayatollah Khomeyni took power in Iran in 1979 and unleashed a new oil crisis. Petroleum prices tripled, and Norway's debt no longer looked so threatening. In 1978 it had been the equivalent of 10 or 11 years of government petroleum revenues. In 1980 it was the equivalent of only 2.5 or 3 years of petroleum revenues.

When the nonsocialist parties came to power, the lesson remained deeply imprinted. Foreign debts contracted by the national government were reduced quickly. Municipalities, businesses, and others still owe 74 billion kroner, however. But Norwegian subsidiaries of the oil companies have borrowed over 20 billion kroner to finance new projects in the North Sea.

Norway was one of the few countries whose imports declined. Gloomy estimates of how much oil revenue could be expected in the future were presented. OPEC was finding it increasingly difficult to keep the price up. Unemployment was allowed to rise from 30,000 to 70,000 persons.

But the high value of the dollar over the past year has caused revenues from petroleum to rise quickly again. At the same time, the rest of Norway's economy is also improving. Money is more available because of lower interest rates. New projects in the North Sea have become cheaper than expected. Norwegian politicians are faced with a dilemma: at the same time that unemployment is high, the surplus in the balance of payments may rise to a whopping 30 billion kroner. Moreover, the Bank of Norway already has a foreign exchange reserve of between 60 and 70 billion.

"The government cannot just pretend that the money is not there. Personally, I would not be surprised if the price of petroleum doubled over the next 10 years. Norway must therefore develop a long-term policy on how to use the surplus without harming the rest of the economy," says Oystein Noreng.

Dangerous Money

What makes petroleum money so dangerous? The simplest way of putting it is to say that unlike other taxes, petroleum taxes do not soak up purchasing power



Like a cowboy riding his petroleum dollars or a Joakim von Anka enthroned on millions--that is the picture drawn of Minister of Finance Rolf Presthus. Drawing by Inge Grodum.

from the taxpayers. The effect can therefore be compared to that produced when the government prints more money.

Especially during a boom period, petroleum money stokes inflation. The country is not able to produce all the goods and services that the government can afford to buy, and the result is higher prices, higher wage demands, and the elimination of industrial firms competing with foreign firms.

The result is therefore the opposite of what one would wish: unemployment rises instead of declining.

No one has warned against this more than Prime Minister Kare Willoch.

He says: "The Conservative Party is a dam against inflation. All those trying to blow that dam to pieces ought to think about the inundation that will also affect them if they succeed."

But he is fighting against the current, even within his own party. A Conservative newspaper says straight out what many are thinking:

"If the Labor Party gets back into power, it will immediately use the oil money to strengthen its position. So why should we not use as much as we need of it to win the election and thus be able to continue the long-term economic policy?"

From the leaks that have occurred in connection with work on the budget, it has already been learned that the municipalities will be considerably better off, that there will be tax relief amounting to billions, and that there will be a substantial concentration on health care. The high level of defense spending will also continue.

Joakim von Anka

Oystein Noreng says: "The political system in Norway is not designed to withstand pressure groups. When the minister of finance and customs is sitting like Joakim von Anka on piles of money, his 'no' carries no authority."

Noreng says: "In a petroleum economy, it is even more important than in an 'ordinary' economy to establish long-term goals. It is possible to use the oil money without having inflation as a result. But the nonsocialist government has been so afraid of inflation that it has not dared make any investments at all."

He mentions investments in research and training, equipment to increase production, and new communications as examples of investments that do not harm the rest of the economy. There is also less danger when unemployment is high.

To prevent the oil money from again being used just for the moment and prevent Norway from being faced with a new crisis when the petroleum price drops, the parties have begun to look more closely at what Kuwait and Saudi Arabia have done.

Instead of being a horrifying example, Kuwait may become a model to be imitated. For many years that country has had a petroleum fund that invests in foreign and domestic industry. No so long ago, for example, it bought Gulf's gasoline stations in Sweden. Income from the fund now covers 80 percent of the country's imports.

The petroleum fund is an idea that has been adopted^d by the Labor Party, and that party has been interested primarily in the Kuwaiti model.

But the Conservative Party has also been thinking about petroleum funds, and some time ago a committee presented a proposal more closely resembling Saudi Arabia's petroleum fund. It has the more limited goal of leveling out the revenues from petroleum and investing primarily in U.S. bonds.

Neither party has wanted to indicate how much money would be stuffed into a petroleum fund. The most radical idea would be to put all the oil money there, thereby removing it from the ordinary budget process. In any case, some people in the Labor Party are arguing in favor of such a solution.

STATE NATURAL GAS MONOPOLY REJECTS SOVIET PIPELINE PLAN

Stockholm DAGENS NYHETER in Swedish 28 Sep 84 p 9

[Text] There will be no Swedish imports of natural gas from the Soviet Union by way of Finland. The project is considered too expensive and very risky from the standpoint of profitability. Demands by industry and other sectors for a backup line from Skane would also make the cost very high right from the start. Instead, we should concentrate first on extending the gas network from the south.

The above is taken from the report on the eastern gas project that has been submitted to the government by the state-owned Swedegas Corporation.

11798

CSO: 3650/8

FISHERMEN ACCUSED OF VIOLATING EC FISHING LIMITS

Luxembourg LUXEMBURGER WORT in German 9 Oct 84 p 8

[Text] The EC Commission is on the trail of a flourishing "gray fish market" with doctored records of fish hauls in the Netherlands. This has generated painful shock waves throughout government circles in The Hague. EC inspectors had discovered in the Dutch fishing harbors not only a double accounting system for those amounts of fish caught on the boats, but also label fraud, whereby those types of restricted fish were being passed off as other types of unrestricted fish.

This information from the classified reports of the EC officials was not denied by anyone in government circles in the Netherlands on Monday. A spokesman for The Hague's EC delegation strongly disputed the statement that The Hague had "looked the other way" when the Commission's task force had called attention to the situation. To date, the EC has not called for a resolution to bring The Hague before a judge because of "delaying tactics."

The papers from the Commission clearly indicate that Brussels weighed bringing charges against The Hague in order to stop the gray market and the violation of fishing limits. The EC's task force lays quite a bit of the blame for the "gray fish market" which is taking place right under the noses of the Dutch inspectors on the steps of the government in The Hague. Only a part of the hauls were registered with the EC on the official visit alongside with the name of the ship. The remaining amount appeared on an invoice with code numbers for each ship and surplus haul of fish, which greatly exceeded the regularly registered catches in many cases.

Figures from the report prove that the Dutch fishermen practically ignore the EC law binding upon them and obviously suck the fishing grounds clean, as if they had been using a vacuum cleaner. Thus, with a fishing quota of 37,000 tons of mackerel from January to April, they had caught more than 90,000 tons of this fish in their nets but had declared only 19,000 tons. They labelled the remaining amount of fish by other names and committed the "label fraud" to which the EC has objected.

According to the Commission's information, the Dutch fishermen have supposedly exceeded to a large degree their yearly quota by which all EC fishermen must abide. The Dutch exceeded their quota by 111 percent too many cod, 194 percent

too much plaice, 141 percent too much sole and 68 percent too much whiting. The classified papers that caused a considerable uproar with the Dutch public was met with a "telling silence" in the fishing circles.

Even the competitors of other North Sea residents are acting somewhat cautiously. You see the EC Commission is quite aware that cutters registered under all flags return from time to time to the secret quays with fish caught alongside the legal varieties or with hushed up varieties. Thus German as well as British fishermen received praise from the EC Commission. It was said in the papers involving the Netherlands that inspectors had shown that the fishermen could have been forced to adhere to the quotas.

All EC fishermen have trouble adjusting to the new EC policies on fishing. For two years now, Brussels has handed down the decision on the quotas on hauls for each type of fish and fishing ground and then has distributed it to the fishing fleets of the members countries according to a fixed scale. The EC found itself forced to take these emergency measures when faced with issues ranging from poaching to almost complete extinction of certain fish.

There are always going to be a fewer fish available to the excessively large fishing fleets such as that of the Netherlands. Fishing doesn't only depend on the fishing crews, but also on the people in the harbors and on the workers on land. According to one person, it is not fair to find the illegal Dutch products making their way to the dinner table when other countries have called it a day because their quotas had been exhausted.

12348

CSO: 3620/48

BRIEFS

POLAR RESEARCH SECRETARIAT ESTABLISHED--There is going to be a speedup in Swedish polar research. The government has decided to establish a secretariat for exploration of the polar areas. It will pave the way for Swedish polar researchers in the Arctic and Antarctic, support and stimulate research, act as the contact organization with foreign countries, assist the government with expert opinion, and act as an information center. It will be headed by Prof Anders Karlqvist. The secretariat will have 3 years in which to develop its activity, and it will have 1 million kronor to work with in its first year. [Text]
[Stockholm DAGENS NYHETER in Swedish 29 Sep 84 p 35] 11798

CSO: 3650/8

HALF OF FOREST DAMAGED AS AGAINST 34 PERCENT IN 1983

Government Releases Damage Survey

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 17 Oct 84 p 10

[Article: "One-Half of German Forests Are Damaged"]

[Text] One-half of the forests in Germany are damaged. That is how the overall result of the 1984 forest damage survey reads which was made public on Tuesday by Minister for Food, Agriculture and Forestry Kiechle and Minister of the Interior Zimmermann. Last year it had been established that damage had occurred on 34 percent of the forested areas. According to Kiechle not only the extent, but also the severity of the damage has increased substantially. The minister of Food, Agriculture and Forestry expects a further spread of the damage. In spite of the situation which is characterized by the Federal government as threatening and alarming the two ministers see no reason for panic. Actionism must be avoided at this time. Effective countermeasures, especially to keep the air clean, must be strengthened gradually. Zimmermann spoke of his "absolute hope" that the measures will be adequate.

SPD opposition leader Vogel criticized the precautions as completely inadequate. The leaders of the fractions would have to confer with Chancellor Kohl at the latest next week about a joint strategy. Hung outside the fraction rooms of the Greens during the press conference with Kiechle and Zimmermann was a banner with the slogan: "The forests need everything, and right away: removal of sulfur, speed limit, catalyzer." Representative Ehmke (Ettlingen), on behalf of the Greens fraction, announced that they would proclaim a state of emergency for the forests. The working group of the German Forest Owners Association notes the absence of any drastic measures. The environmental groups see their fear that an ecocatastrophe is at hand substantiated. The opposition and environmental protectionists reiterated their demand for speed limits.

Some 110,000 hectares, one and one-half percent of the forested areas, are already heavily damaged. The forested areas with medium damage have increased from 9 to 16 percent since the last survey. One-third of the German forest is moderately damaged. According to Kiechle's statistics those are damages which the unpracticed eye cannot notice.

The damage has increased with all kinds of trees, it is especially bad in the beech and oak since last year. Because of the drastically increased damage to deciduous trees Kiechle is afraid of ecological and silvicultural consequences "on a new dimension." So far it had been assumed that the mixed forest would be more stable than one-crop systems in silviculture. The most recent survey of damage to the forests has shown this to be a mistake. The focal point of the damage for all kinds of trees is in forest stands which are more than 60 years old. The damage is most advanced in the firs. Kiechle says that its stand is seriously threatened. Corresponding to the spread of spruce and pine trees the areas of damage in these kinds of trees are the largest. The young stands were able to regenerate in the damp weather of this year. Also, because of the weather and the control measures, the danger to the forests from the bark beetle has diminished. Kiechle sees his position strengthened by the new survey to the effect that pests and fungi are not the causes of the new damage to the forests. The forest is particularly susceptible because of the ongoing pollution of the air.

Turbulent Debate Greet's Survey

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 18 Oct 84 p 1

[Article: "Turbulent Debate in the Bundestag About Damage to Forests"]

[Text] On Wednesday the Bundestag, in a vigorous debate, dealt with the Federal government's report about forest damage. The session on current topics which was initiated by the Greens took a turbulent course when the opposition insisted on a statement from absent ministers Zimmermann and Kiechle. On a motion by the Greens and a second by the SPD the session was interrupted until Zimmermann appeared in the plenary chamber. The minister of the interior had been on a Rhine River trip with Olympic participants in order to discuss athletic policies. The opposition accused Zimmermann of parliamentary tomfoolery. The spokesmen for the Greens and the SPD demanded immediate radical measures to save the forests, including an immediate decision on speed limits. The coalition and Federal government must not continue to sit back and watch the annihilation of the forests. Zimmermann and spokesmen for the coalition fractions reacted to the criticism from the opposition by referring to the fact that the Federal government was moving with determination against air pollution as an important cause of forest damage. Only by means of all measures together, whether to keep the air clean or for forestry-based regeneration of the forests, would it be possible to make progress. This will not happen over night. Zimmermann said that it is not possible to come to the aid of the forests with the panic machine and the hysteria of the opposition.

12124

CSO: 3620/53

PAPER LOOKS AT LIKELY ENVIRONMENT AGENDA FOR 1990'S

Helsinki HUFVUDSTADSBLADET in Swedish 7 Oct 84 p 2

[Editorial by Jan-Magnus Jansson]

[Text] Politics of the eighties was dominated by the environment and the present task is to translate the oral admissions and isolated efforts into comprehensive activities, Jan-Magnus Jansson writes in connection with the government's environmental report to parliament.

During the sixties, Finland saw major reforms in education, social services, and health care. The seventies were dominated by regional development policies. At that time, regional imbalances in employment and economic prosperity in our country were remedied, at least in part. The eighties are the decade of environmental policies. A serious attempt is now being made to prevent many years of neglect in the protection of nature and our living environment from causing irreparable damage. Hopefully, the nineties will be the decade in which something is done about the difficult situation of the individual in the midst of the welfare society: stress, maladjustment, alienation, spiritual despair, alcoholism, and drug abuse. At present, only marginal attention is being devoted to these problems and there are no comprehensive programs.

As stated above, however, the eighties are dominated by environmental policies. The problem has been to translate oral admissions and isolated efforts in various fields into a comprehensive effort, supported and led by the state. To be sure, the report on the state of the environment that was presented during the International Year of the Environment noted certain progress in some areas, but it also pointed to serious deterioration in others. Our renowned pioneer in this area, Prof Ilmari Hustich, was extremely pessimistic in this area.

Considering the fact that a summary of official environmental programs is needed now that the Environmental Affairs Ministry has been established, the government's environmental report to parliament, which was debated this past week, is extremely useful. Some have questioned the importance of these reports, since they are simply debated and lead to no parliamentary resolutions. They are significant, however, since official policy is summarized in them. In

particular, the recently published report is a kind of reference book on the most controversial area of our public debate. It is an informative publication that is valuable to anyone interested in this topic.

Two objections could be made to the report. First of all, it is not futurological in any way. It provides no new outlooks but, perhaps because of its official nature, it keeps strictly to questions already under discussion within the government apparatus. It is superficial in the sense that, without hiding the problems that exist, it does not deal with the many administrative, economic, and other problems an environmental activist encounters. It also glosses over the conflicts in values inherent in environmental work--for example, with the interests of industry, agriculture, and land owners. This would have been more apparent if the far more controversial question of the environment in populated areas had been included. They were excluded, however, on the grounds that parliament would deal with a separate resolution on construction and planning. Radiation protection and its relationship to nuclear power were also omitted for the same reason. This was certainly a wise decision, since otherwise the debate would have been extremely one-sided.

When it comes to protecting our natural environment, there is a positive basic attitude among our nature-loving people that goes beyond party and other boundaries. In practice, however, conflicts cannot be eliminated even in this area. This was shown, for example, in the sensitive question of protecting ridges.

The report describes environmental protection sector by sector. Without doubt, there is an impressive number of initiatives, decisions in principle, laws, and agencies that have been established in various areas. Areas in which practical measures are relatively far-reaching include the protection of nature, water conservation (the Water Management Board will be placed, in part, under the Environmental Affairs Ministry, according to the budget proposal), and air protection. In the area of noise pollution, new legislation is pending. The supervision of chemicals is one area with many serious gaps and the new law on chemical substances that has been proposed to replace the law on toxics is well justified. Previously, most attention was directed toward the direct effect of chemicals on humans, rather than on their environmental impact (and, thus, their indirect effects on humans)

Waste management is an example of one area in which there has been only limited success. To be sure, despite misguided resistance, the problem waste facility in Riihimäki has been completed, so that the most hazardous waste is now under control, to some extent.

On the other hand, waste management legislation that was anticipated with great expectations proved to be an empty gesture. Ordinary citizens can hardly see its effects. It deals with the location and management of dump sites and, especially, the recycling of waste, which is of importance from the standpoint of both public health and the utilization of resources. In this area, the Trade and Industry Ministries should perhaps be activated to accelerate the use of industrial recycling. If this does not occur, then the

"selective management of waste" on the grassroots and back-yard level will have little impact.

Another area in its infancy is landscape protection. Only legislation concerning the archipelago has highlighted this issue to some extent. There are major problems, however, concerning how our forests should be protected. Another current question involves the protection of meadowlands in sparsely populated South Finland. It is clear that the area is so extensive that detailed regulations are needed for its protection.

Although the report is sketchy on the financing of environmental protection, it deals with administrative aspects in greater detail. The partial transfer of the Water Management Board to the Environmental Affairs Ministry will certainly facilitate coordination of these matters, assuming that the board is able to serve two masters. In any event, we would like to refer to an editorial that appeared in HUFVUDSTADSELADET on 2 October, which pointed out the bottom line in this entire issue, namely that environmental protection cannot function without more resources on the county and municipal level. Resources mean money, however, as well as a certain increase in the bureaucracy. We must realize that we cannot demand greater efforts in a certain area and, at the same time, oppose funding for these efforts.

Minister Ahde described the debate in parliament as lacking in vision. Perhaps this was to be expected, especially since it is easy to become bogged down in the details of environmental questions. The most interesting observation from a political standpoint was that the Center Party, through the deputy chairman of the party's group in parliament, Lea Sutinen, continued its battle against the environmental affairs minister. The makeup of the ministry was determined contrary to the wishes of the Center Party and it is seen as a Social Democratic stronghold. There is hardly any remedy to this situation other than Center Party control of the ministry in some future government.

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GOVERNMENT PRESENTS LONG-AWAITED ENVIRONMENT PLAN

Unleaded Gas By 1990

Helsinki HELSINGIN SANOMAT in Finnish 29 Sep 84 p 6

[Article : "Ahde Gave the Parliament a Lesson in Environmental Studies: Government Promises Unleaded Gas by the End of the 1980s"]

[Text] The government is promising unleaded gas for the Finnish highways by the end of this decade. In addition, by the 1990s, it intends to lower the emissions of sulfur dioxide by half from those in 1980.

Unleaded gasoline and sulfur dioxide emissions came to the fore on Friday when the government presented the Parliament with its first report on environmental policy. Environmental Minister Matti Ahde (Social Democrat) gave the Parliament a lesson in environmental studies.

The quickly thrown-together report did not present much else that was concrete, but enumerated what was self-evident, such as: "An increasingly large portion of the population is exposed to noise, which creates many kinds of problems."

Minister Ahde noted that preparations have already started for the switch to unleaded gasoline. According to Ahde, motorists will have unleaded gasoline available "from the latter half of the 1980s on."

At the meeting held in Stockholm two years ago, Finland, like many other countries, agreed to lower the total emission of sulfur dioxide by 1993 by at least 30 percent from the 1980 level, when about 600,000 tons of sulfur dioxide were belched into the air.

Next year, according to the environmental report, a program for reaching these goals will be ready, and at the same time the necessary decisions will be made. The report goes one step further, promising that during the next decade the aim is to cut sulfur dioxide emissions by half from the 1980 level.

Oil-protection Improved

The report indirectly admits that protection against oil-damages is inferior compared to the international level. That is to say, according to the report, preventive ability is to be improved "so that it fulfills Finland's obligations as occasioned by international agreement."

An oil-protection development plan, which would especially try to improve preventive organization, is in the works. Prevention of marine damages will be handled by creating a government-supported area organization.

The report lists all bills somehow related to the environment that the government is giving to the parliament. Coming are for example the renewal of the construction-bill (which the report did not really go into because of opposition from the Center Party), the living-conditions improvement bill, and the nuclear energy bill. An anti noise-pollution bill is expected next year.

More Conservation Areas

According to the report, the network of conservation areas will be augmented in the next few years. Resolutions already exist for the creation of six national parks, two nature parks, 122 bog-conservation areas for the bog-conservation basic program, as well as five other conservation areas.

The need for, and method of, establishing about ten conservation areas will also have to be worked out, as well as the possibility of enlarging three national parks.

According to the report, an accumulation of waste worth about a billion piles up in Finland every year, and only about two thirds of it is utilized. There is an attempt to lower the three million currency loss: the Waste-Disposal Council is currently preparing a program for waste-reduction and utilization.

Environmental protection also needs financial backers; according to the report, the possibility of an environmental protection tax needs to be worked out, and the object is to establish an environmental protection treasury.

It took over an hour for Environment Minister Ahde to read the report. The opposition parties actually wanted to take the floor already on the same day, but because of the delay of the report, this had to be postponed until Wednesday the following week.

Time has been reserved for the environmental speeches of individual representatives on Thursday and Friday as well. Many speeches can be expected right before the municipal elections.

Reports are no measure of the government's confidence, that is, they are not put to the vote, only discussed.

A New One Coming

The parliament can expect a new report right after the municipal elections. The government will give a youth-policy report on 23 October, and discussion of it will begin immediately. Kaarina Suonio (Social Democrat), Minister of Education, will present the report.

The tangle of reports was meant to be cleared up already in the spring, but because of the Pekkanen bills there was no time for them.

Paper Comments on Report

Helsinki HELSINGIN SANOMAT in Finnish 29 Sep 84 p 2

[Editorial: "The Green Issue Creates Discussion in the Parliament"]

[Text] The Parliament had to wait inordinately long for the government report on environmental protection. The first promises were given already at the beginning of the decade, but only now was enough courage gathered for its compilation.

The task has undeniably been large and challenging. This can be seen from the report's length and from the issues collected in it. And since it is the Environmental Ministry's first large public appearance in Parliament, there has been an attempt to make the report cover everything, be visible and be heard.

The whole issue itself, environmental protection with all its contributing factors, is becoming pressingly important. Almost all over the world man's living environment has become spoiled at an alarming rate. The industrial nations have been stirred up late to take counter-measures. They take effect slowly and are still insufficient.

Fortunately Finland is not in the biggest trouble. Even the government notes that the quality of our environment, despite its changes and overloading, is at the very least satisfactory and in many places good. But the global outlook on the environmental future affects even Finland deeply.

The government does not unnecessarily exaggerate these problems, but cannot cover them up either. Of course it has not been able to join in the beating of the alarming drum either that predicts the destruction of the human race, and demands a halt to economic growth or a Rousseau-like return to whatever nature is left.

The government has a brighter view, based on a belief in the endless inventiveness of humans. In its opinion, economic growth is not antithetical to environmental protection in most respects. The national economy has to adapt to structural changes, so that the bases for production and prosperity will not be jeopardized.

All this requires a new individual and societal attitude towards the environment and its protection. Behavior, the rules of the game, legislative acts have to be renewed; partially conflicting interests have to be compromised. An even bigger slice of revenue than before has to go toward rational environmental protection, and the benefits of such protection have to outweigh its costs.

The government is promising improvements in all facets of environmental protection, from motoring and waste-disposal to nuclear energy, on which a separate bill will soon be presented to the parliament. Of course the Environmental Administration will get its own role. It will become stronger when the Water Commission moves under the jurisdiction of the Environmental Administration, when environmental branches are founded in provincial administrations, and when the municipalities are obligated, through a legislative act, to found environmental committees.

Progress cannot be fast or comparable in all areas of environmental protection. An order of urgency has to be established for renewal projects, and has to be followed. Too fast a pace creates a danger of mistakes that are not easily correctable; administration may also swell disproportionately.

In any case the report was extensive, a general mapping-out of what needs to be done on behalf of environmental protection in the near future, and what plans are pending in the government. It is also at the same time the government's environmental-policy program announcement, and has many of the same ingredients as the slogans of those who call themselves "the greens."

Now representatives and parties have an excellent chance to compete in the parliamentary debates about who is greener. But although the issue is inviting, tempting one to current party-political competitive crowing, one may hope that parliamentary debate will further the issue and be productive.

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